

THE BUSINESS ASSOCIATIONS' TAX COALITION
ASKS ALL ALABAMA LAWMAKERS, PLEASE

DON'T TAX JOBS

VOTE "NO" ON SENATE BILL 11

WHY SB 11 IS A TAX INCREASE

WHERE WE ARE

- Many employers have yet to begin recovering from the Great Recession, yet will have to pay at least double what they paid last year in unemployment compensation taxes on those they currently employ.
- Based on tax bills received Jan. 1, Alabama's employers will pay **\$410 million** in unemployment compensation taxes in 2010.
- So, employers will pay **\$232 million more** in 2010 than they did in 2009. *(an automatic increase necessary because the current 11 percent rate of unemployment has drained the Unemployment Compensation Trust Fund.)*
- Alabama to date has borrowed **\$155 million** from the federal government to pay benefits to those currently unemployed in our state and will continue to borrow until the state starts receiving employers' first quarter 2010 unemployment taxes at the end of April.

WHERE THE BILL TAKES US

- The Department of Industrial Relations estimates the benefit expansion called for in SB 11 means **6,000 more people** annually will **qualify for unemployment** beginning July 1.
- **If more qualify** for unemployment, **employers pay more** in unemployment compensation taxes, which are based in part on how many of a business' former employees have met the criteria for unemployment in the past three years. DIR estimates the expansion called for in SB 11 will cost employers **\$42 million annually**, starting with tax bills due May 1, 2012.
- The **\$100.5 million** in federal funds the state would receive July 1 with passage of SB 11 won't even cover what the state owes, much less build up the Unemployment Compensation Trust Fund to the **\$500 million** level that would reduce the rate schedule for employers.
- If SB 11 passes, employers will pay into the Fund at the highest schedule possible for a longer period of time and still have to pay at a greater experience rate because more of their former employees will qualify for unemployment.
- **RESULT: Employers will take longer to recover from the Great Recession and take longer to begin hiring new workers.**

VOTE "NO" ON SENATE BILL 11, A CLEAR TAX ON JOBS