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LRB099 06464 GRL 26534 r

1 HOUSE RESOLUTION

2 WHEREAS, The unemployment insurance tax is assessed
3 against employers in order to cover the costs of any benefits
4 drawn out by the former employees of each employer; and

5 WHEREAS, The unemployment insurance tax rate varies
6 according to each employer; and

7 WHEREAS, The unemployment insurance tax is assessed
8 against the same base wage of the first \$11,000 earned by each
9 employee; and

10 WHEREAS, For the vast majority of employers, the entire
11 unemployment insurance tax is assessed and paid in the first
12 quarter of the calendar year, as most employees earn more than
13 \$11,000 in the first quarter of the year; and

14 WHEREAS, For example, if a typical unemployment tax is
15 approximately \$800 per employee, a 10-employee firm must come
16 up with \$8,000 in the first quarter of the year, instead of
17 \$2,000 every quarter, to pay the unemployment tax; and

18 WHEREAS, This situation presents a cash crunch for small
19 and mid-market employers who must finance the entire year's
20 unemployment tax in the first quarter of the calendar year; and

1 WHEREAS, Larger employers are more likely to have the
2 capital to finance the unemployment insurance tax over the
3 entire year, while small and mid-market businesses without the
4 capital must pay all the tax as it comes due; this situation
5 hits small and mid-market businesses with a cash flow impact
6 proportionately harder than larger employers; and

7 WHEREAS, Small and mid-market businesses would prefer to
8 spread out the payments for the unemployment insurance tax over
9 the entire year to avoid the cash crunch in the first quarter,
10 while still paying the same total amount; therefore, be it

11 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE
12 NINETY-NINTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we
13 state our belief that eliminating the first quarter cash crunch
14 of small and mid-market businesses paying unemployment taxes by
15 allowing for quarterly payments based upon the accrued
16 obligation is a pro-business public policy move; and be it
17 further

18 RESOLVED, That we call upon the Illinois Department of
19 Employment Security to implement an optional quarterly payment
20 system for taxpayers pursuant to all existing statutory
21 authority as quickly as possible; and be it further

1 RESOLVED, That a suitable copy of this resolution be
2 delivered to the Director of Employment Security.