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Vol.23, 051
May 24, 2022

Mississippi legislation to reduce 2022 SUI tax rates enacted; 2022 first-quarter return deadline extended due to late SUI rate notices

Mississippi Governor Tate Reeves [announced](#) that he has signed [SB 2723](#) into law, holding the general experience rate portion of the 2022 state unemployment insurance (SUI) tax rates at 0%. As a result, the 2022 SUI tax rates range from 0.0% to 5.4%, unchanged from 2020 and 2021.

The new-employer rates continue at 1.0% for the first year of liability, 1.1% for the second year, and 1.2% for the third year. The additional 0.2% Workforce Enhancement Training surcharge continues to be in effect for 2022.

The SUI taxable wage base remains at \$14,000 for 2022.

Information posted to the Mississippi Department of Employment Security [website](#) states that the 2022 SUI tax rate notices were issued to employers in mid-April. The tax rate notices were also posted to the Department's electronic reporting system at that time.

No penalty for late filing of first-quarter 2022 SUI returns

The 2022 SUI tax rate notices were mailed and posted to electronic system on April 22, 2022. Accordingly, employers were instructed not to file their first-quarter 2022 SUI tax returns (due April 30, 2022) until they received their 2022 SUI tax rate notices. The Department prefers electronic reporting and employers were unable to file electronically until the 2022 SUI tax rate notices were posted to the electronic system. The statement posted to the website says that "employers will not see a penalty or late fee because of this delay." (*Email, Mississippi Department of Employer Security representative.*)

SB 2723 details

[SB 2723](#) extended the statutory cutoff date for computation of the 2022 SUI tax rates to allow for the December 21, 2021 deposit of federal COVID-19 stimulus funds to the state's unemployment insurance (UI) trust fund to be taken into account.

Under normal circumstances, Mississippi UI law requires that for the computation of the general experience rate portion of the rates, state experience must be measured as of November 16 of the previous year.

According to Department representatives, without the enactment of SB 2723, the general experience rate portion of the 2022 SUI tax rates were anticipated to rise by 0.4%, increasing the total SUI tax rate for most employers by 0.4%.

Employers not charged with UI benefits for calendar years 2021 through 2024

In 2020 Executive Order [1481](#), Mississippi Governor Reeves ordered that employer accounts not be charged with COVID-19 UI benefits during the period of March 8, 2020, to June 27, 2020. (*EY Tax Alert* [2020-1312](#), 5-15-2021.)

Legislation enacted in mid-2020 ([SB 3051](#)) requires that UI benefit charges for the period of March 8, 2020 through June 30, 2020 not be used in the computation of SUI tax rates for 2021 through 2023. In addition, UI benefits for the period of July 1, 2020 through December 31, 2020, will not be used to calculate the SUI tax rate for 2024 SUI tax rates.

SB 3051 also sets the general experience rate portion of the tax rates to 0% for calendar year 2021, with SUI rates ranging from 0.0% to 5.4%.

For more information on Mississippi unemployment taxes, see the Department's [website](#).

Contact us for more information

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