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Preliminary state unemployment insurance tax facts for 2023 (As of January 17, 2023)

Highlights

- Updates to this chart will be available in our **2023 Employment tax rates and limits** report, anticipated to be available in January 2023, and updated throughout the year. You can find the report, once available, [here](#).

2023 wage bases

- Close to half of the jurisdictions had a flexible state unemployment insurance (SUI) wage base in 2022, meaning that the wage base can increase each year. In the remaining jurisdictions, the wage base is set, requiring legislation to change it.
- Due to legislation enacted in 2020, the Colorado SUI wage base increased by 20% for 2023, the highest increase of all the jurisdictions.
- Arizona legislation increased the set wage base from \$7,000 to \$8,000 starting in 2023.
- Thus far, only four jurisdictions have lowered their wage base for 2023—Arkansas, Missouri, Vermont and the Virgin Islands.

2023 tax rates

- For the first time in many years, Pennsylvania has increased the employee SUI contribution from 0.06% to 0.07% for 2023. The tax applies to all covered wages and not just to the first \$10,000. (See [EY Tax Alerts 2022-1883](#) and [2022-1874](#).)
- Alaska decreased the employee SUI contribution for 2023, from 0.56% to 0.51%, with the 2023 wage base increasing to \$47,100.
- Despite ongoing demands on the SUI trust funds, most states had no change in their base SUI tax rates from 2022 or have lowered their base tax rates for 2023. By comparison, thus far few states (e.g., Hawaii, New Jersey, North Dakota, Ohio and Pennsylvania) raised their base tax rates for 2023.

SUI wage bases

SUI trust funds are largely financed by employer contributions (in Alaska, New Jersey and Pennsylvania employees also make contributions). States are required to maintain a SUI taxable wage base of no less than the limit set under the Federal Unemployment Tax Act (FUTA). The 2023 FUTA wage limit of \$7,000 has remained unchanged since 1983, despite increases in the federal minimum wage and annual cost-of-living adjustments over the last 40 years.

Some states are conservative in their approach to maintaining adequate SUI trust fund reserves. Consequently, the SUI wage base is flexible in those states, meaning, it is indexed to the average wage or varies based on the trust fund balance. According to the U.S. Department of Labor, in 2022, 25 jurisdictions had a flexible wage base. (*U.S. Department of Labor, [Comparison of State Unemployment Laws-2022, December 2022.](#)*)

For a comparison of the 2022 and 2023 SUI wage bases and percentage of increase/decrease, if applicable (as of December 19, 2022), see *EY Tax Alert [2022-1913](#)*.

For information concerning the state minimum wage effective January 1, 2023, see *EY Tax Alert [2022-1930](#)*.

SUI tax rates

The COVID-19 emergency put a strain on SUI trust funds, and that could have resulted in across-the-board increases in employer SUI taxes. Many jurisdictions avoided that outcome because they deposited federal COVID-19 stimulus funds into their unemployment insurance (UI) trust funds and/or enacted legislation to reduce the impact on employer tax rates caused by the reduction in their trust funds. In addition, most jurisdictions relieved employers of regular COVID-19 UI benefits during at least a part of the pandemic, and some continue to provide this relief, further reducing the impact of COVID-19 unemployment insurance benefits on individual employer tax rates.

See the footnotes in the chart that begins on the next page for details about special actions some states took to lessen increases in their SUI tax rates and/or wage bases in 2023.

Other state payroll and withholding taxes

For information concerning the 2023 contribution rates and wage bases for state disability, paid family and medical leave and long-term care insurance as of December 21, 2022, see *EY Tax Alert [2022-1920](#)*.

For information concerning the 2023 state income tax withholding rates and hyperlinks to the latest formulas/instructions as of January 4, 2023, see *EY Tax Alert [2023-0027](#)*.

See what the employer SUI cost outlook is for 2023

To assist you in forecasting your SUI costs for 2023, following is a preliminary chart of the 2023 SUI wage bases and tax rates, including surcharges that are not certified and not included in state SUI wages on the federal Form 940. Information is also provided concerning the date that the 2023 SUI rate notices were/will be available.

Preliminary state unemployment insurance tax facts (as of January 17, 2023)

Note that the hyperlinks on the jurisdiction name point to the source of the SUI tax rate information.

(SUI rate information that is highlighted in gray is for 2022 because the 2023 information is not yet available. Wage base information for 2023 is current unless "TBD" or "EST" is indicated. Information concerning the mailing of 2023 rate notices was not yet available at the time of this printing if highlighted in turquoise.)

State	2023 taxable wage base	2023 range of SUI tax rates for merit-rated employers ¹	2023 rate for new employers ⁶	2023 employee rate	2023 surcharge not reported on Form 940 ²
Alabama ^{*5} (2023 rate notice mailed 12-13-22)	\$8,000	0.14-5.34%	2.7%	None	0.06% ³ (Employment Security Enhancement Assessment or ESA)
Alaska ⁷ (2023 rate notice mailed 12-1-22)	\$47,100 [↑]	1.0-5.4%	Varies	0.51% [↓]	None
Arizona ^{*5} (2023 rate notice mailed 12-30-22)	\$8,000 [↑]	0.07-18.78% [↓]	2%	None	None
Arkansas [*] (2023 rate notice mailed 12-21-22)	\$7,000 [↓]	0.3-14.2%	3.1%	None	None
California ⁵ (2023 rate notice mailed 12-30-22)	\$7,000	1.5-6.2%	3.4%	None	0.1% ³ (Employment Training Tax or ETT)
Colorado ^{*5} (2023 rate notice mailed 11-30-22)	\$20,400 [↑]	0.75-10.39% [↑]	1.7% (building 1.86-6.82% [↓])	None	None
Connecticut ^{*5} (2023 rate notice mailed 12-30-22)	\$15,000	1.9-6.8%	2.8% [↓]	None	None
Delaware [*] (2022 rate notice was expected to mail by 1-30-22)	TBD	0.3-8.2%	1.8% (building rate varies)	None	0.11% ³ [↓] (special training tax assessment)
District of Columbia ^{5,7} (Rate notices typically mail in early March)	\$9,000	1.9-7.4%	2.7%	None	0.2% ³ (special training tax assessment)

State	2023 taxable wage base	2023 range of SUI tax rates for merit-rated employers ¹	2023 rate for new employers ⁶	2023 employee rate	2023 surcharge not reported on Form 940 ²
Florida* ⁵ (2023 rate notice mailed 12-22-22)	\$7,000	0.1-5.4%	2.7%	None	None
Georgia* ⁵ (2023 rate notice mailed 1-3-23)	\$9,500	0.04-8.1%	2.64%	None	0.00% ³ (Administrative Assessment)
Hawaii* (Rate notices typically mail in March)	\$56,700↑	1.2%-6.2%↑	4.0%↑	None	0.01% ³ (Employment and Training (E&T) Assessment Rate)
Idaho* (2023 rate notice mailed 12-15-22)	\$49,900	0.207-5.4%	0.97%	None	3% of tax rate ³ (Workforce Development Surcharge)
Illinois (2023 rate notice mailed 1-5-23)	\$13,271↑	0.850-8.650%↑	3.950%↑ (no special industry rates)	None	None
Indiana* ⁵ (2023 rate notice mailed 12-15-22)	\$9,500	0.5-7.4%	2.5% (1.6% government, building rate varies)	None	0.0% (solvency surcharge)
Iowa* (2023 rate notice mailed 11-21-22)	\$36,100↑	0-7.0%↓	1% (building 7.0%↓)	None	None
Kansas* ⁵ (2023 rate notice mailed 11-10-22)	\$14,000	0.17-6.4%↓	2.7% (building 6%)	None	0.0% (Fund building surcharge)
Kentucky* (2023 rate notice mailed 12-15-22)	\$11,100↑	0.3%-9.0%	2.7% (building 9.0%)	None	The 0.075% Service Capacity Upgrade Fund Tax (SCUF) is again suspended for 2023.
Louisiana* (2023 rate notice mailed 12-28-2022)	\$7,700	0.09-6.2%	Varies	None	Varies ⁴ (Incumbent Worker Training Program and Integrity Social Charge Fund rates)

State	2023 taxable wage base	2023 range of SUI tax rates for merit-rated employers ¹	2023 rate for new employers ⁶	2023 employee rate	2023 surcharge not reported on Form 940 ²
Maine* ⁵ (2023 rate notice mailed 12-29-22)	\$12,000	0.0-5.47%↓	1.97%↓	None	0.07% ³ (Competitive Skills Scholarship Fund or CSSF) 0.15% ³ ↑ (Unemployment Program Administrative Fund or UPAF)
Maryland* ⁵ (2022 rate notices were expected to mail after 1-15-22 but not later than 1-31-22)	\$8,500	1-10.5%↓	2.3%↓ (building 5.4%↓)	None	None
Massachusetts ⁵ (2023 rate notice mailed 12-20-22)	\$15,000	0.56-8.62%↓	1.45%↓ (building 5.5%↓)	None	0.056% ³ (Workforce Training Fund or WTF)
Michigan* (2023 rate notice mailed 12-29-22)	\$9,500	0.06-10.3%	2.7% (building 6.0%)	None	None
Minnesota* (2023 rate notice mailed 12-8-22)	\$40,000↑	0.01↑-8.9%	Varies by industry with rates ranging from 1.0% to 8.90%	None	0.1% (Workforce Development Assessment) 0.0% ³ (Federal interest assessment)
Mississippi* ⁵ (2022 rate notice mailed in mid-April 2022)	\$14,000	0-5.4%	1%, 1.1%, 1.2%	None	0.2% ³ (Workforce investment, Mississippi Works, and Workforce Enhancement Training surcharges)
Missouri* (2023 rate notice mailed 12-5-22)	\$10,500↓	0-5.4%	2.511%↑ (nonprofit/public 1%)	None	0.2% ³ ↑ (Unemployment Automation Adjustment, new in 2023)

State	2023 taxable wage base	2023 range of SUI tax rates for merit-rated employers ¹	2023 rate for new employers ⁶	2023 employee rate	2023 surcharge not reported on Form 940 ²
Montana (2023 rate notice mailed 12-20-22)	\$40,500↑	0-6.12%	Varies (1.0%-2.2%)↓	None	0.13%-0.18% ⁴ (Administrative Fund Tax or AFT)
Nebraska* ⁵ (2023 rate notice mailed 12-6-22)	\$9,000/\$24,000	0-5.4%	1.25% (building 5.4%)	None	5% of rate ³ (State unemployment insurance tax (SUIT) surcharge)
Nevada (2023 rate notice mailed 1-6-23)	\$40,100	0.25-5.4%	2.95%	None	0.05% ³ (Career Enhancement Program (CEP) surcharge)
New Hampshire ^{5,8} (Rate notices for fiscal year 2022 were mailed on 8-26-21) Rates may change each quarter.	\$14,000	0.1-8.5% effective 1-1-23 to 3-31-23	2.7% effective 1-1-23 to 3-31-23	None	0.4% ³ (Administrative Surcharge or AC)
New Jersey* ⁸ (Rate notices for fiscal year 2023 were mailed on 8-24-22)	\$41,100↑	0.6%-6.4% effective 7-1-22 to 6-30-23	3.1%↑ effective 7-1-22 to 6-30-23	0.425%	0.1% ⁴ (Workforce Development Fund) 0.0175% ⁴ (Supplemental Workforce Fund)
New Mexico* (2023 rate notice mailed on 11-22-22)	\$30,100	0.33-6.4%	1% (or industry average if higher)	None	None
New York* (Rate notices are typically mailed in late February or early March)	\$12,300↑	2.025-9.825↓	3.4%↓	None	0.075% ³ (Reemployment Services Fund Surcharge) 0.23% ³ (Interest Assessment Surcharge)

State	2023 taxable wage base	2023 range of SUI tax rates for merit-rated employers ¹	2023 rate for new employers ⁶	2023 employee rate	2023 surcharge not reported on Form 940 ²
North Carolina* (2023 rate notice mailed on 11-14-22)	\$29,600	0.06-5.76%	1.0%	None	None
North Dakota* (2023 rate notice mailed on 12-8-22)	\$40,800↓	0.08-9.97%↑	1.13%↑, 9.97%↑ (building 9.97%↑)	None	None
Ohio* ⁵ (2023 rate notice mailed on 11-6-22)	\$9,000	0.8-10.3%↑	2.7% (building 5.6%↑)	None	None
Oklahoma* (2023 rate notice mailed on 9-30-22)	\$25,700↑	0.3-9.2%	1.5%	None	5% of tax rate (OESC technology fund diversion)
Oregon* (2023 rate notice mailed on 11-15-22)	\$50,900↑	0.7-5.4%↓	2.1%↓	None	0.12%↑ for quarter 1 and 0.09% for quarters 2-4 ³ (Special Payroll Tax Offset)
Pennsylvania ⁵ (2023 rate notice mailed on 12-31-22)	\$10,000	1.4190-10.3734%↑	3.8220%↑ (building 10.5924%↑)	0.07%↑	0.00% (Interest tax factor for bonds sold to repay the federal UI loan)
Puerto Rico* (2023 rate notice mailed on 12-15-22)	\$7,000	2.4-5.4%↑	3.3%↑	None	None
Rhode Island* (2022 rate notices were expected to mail by 1-15-22)	\$28,200/29,700	0.68-9.28%↓	0.88%↓	None	0.21% ³ (Job Development Fund or JDF)
South Carolina (2023 rate notice mailed on 11-10-22)	\$14,000	0-5.4%	0.39%↓	None	0.06% ³ (Contingency Surcharge) 0.00% ³ (Solvency Surcharge)
South Dakota* (2023 rate notice mailed on 11-2-22)	\$15,000	0-9.3%	1.2%, 1.0% (building 6%, 3%)	None	0.02% ³ (Administrative Fee Surcharge) 0-0.55% ³ (Investment Fee)

State	2023 taxable wage base	2023 range of SUI tax rates for merit-rated employers ¹	2023 rate for new employers ⁶	2023 employee rate	2023 surcharge not reported on Form 940 ²
Tennessee ^{*8} (Rate notices for fiscal year 23 were mailed in August 22)	\$7,000 EST	0.01-10% effective 7-1-22 to 6-30-23	2.7% (no special industry rate) effective 7-1-22 to 6-30-23	None	None
Texas ⁵ (2023 rate notice mailed 1-6-23)	\$9,000	0.23-6.23%↓	2.7% (or industry average if higher)	None	0.10% ³ (Employment & Training Investment Assessment) 0.00%↓ ³ (Bond Obligation Assessment Rate)
Utah [*] (2023 rate notice mailed on 11-17-22)	\$44,800↑	0.3-7.3%	1.0-7.3%	None	None
Vermont ^{*8} (2023 rate notice for fiscal year 2023 was mailed in the first week of July 2022)	\$13,500↓	0.4%-5.4%↓ effective 7-1-22 to 6-30-23	1% (varies for certain industries) effective 7-1-22 to 6-30-23	None	None
Virgin Islands [*] 24 V.I.C. §308 (2023 rate notice information is pending)	\$30,200↓	2.5-5.4%↑	2%	None	\$25 per employee
Virginia ^{*5} (2023 rate notice mailed 12-9-22)	\$8,000	0.33-6.43%	2.5%↓ (Foreign contractor 6.2%)	None	None
Washington [*] (2023 rate notice mailed on 12-14-22)	\$67,600↑	0.24-5.78%↓ The 2023 average tax rate is 1.43%↑	115% of the industry average and a minimum of 1.0%	None	0.03% ³ (Employer Administrative Fund or EAF)
West Virginia [*] (2023 rate notice mailed on 12-9-22)	\$9,000	1.5-8.5%	2.7% (building 8.5%)	None	None
Wisconsin ^{*5} (2023 rate notice mailed on 10-11-22)	\$14,000	0.0-12% (small employer); 0.05-12% (large employer)	3.05% (small employer); 3.25% (large employer) (building 2.90%, 3.10%↑)	None	None

State	2023 taxable wage base	2023 range of SUI tax rates for merit-rated employers ¹	2023 rate for new employers ⁶	2023 employee rate	2023 surcharge not reported on Form 9402
Wyoming (Rate notice mailed 12-30-22)	\$29,100 [↑]	0.35-10.0%	Varies	None	0.14% ³ ↓ (Employment Support Fund Factor)

Footnotes:

- * See state-specific note below.
 - ** Much of the information in this survey was obtained through review of state revenue/workforce department administrative guides or informational telephone or email surveys with state governmental agencies. Although state administrative guides and telephone and email surveys are useful in determining how government departments currently treat an issue, answers and positions derived from such sources are not binding upon the state, cannot be cited as precedent, may change over time and hence cannot be relied upon.
- ↑ Increase from prior year
↓ Decrease from prior year EST - 2023 SUI wage base is estimated.
EST - 2023 SUI wage base is estimated.
TBD - 2023 SUI wage base has not yet been published.
1. This is the base SUI tax rate that is eligible for the 5.4% FUTA tax credit and is reported on Form 940 as a state contribution. This rate does not include surcharges that are not eligible for the 5.4% FUTA credit.
 2. Additional surcharges are those rates that are not certified to the federal government as employer unemployment taxes for Form 940 purposes. Unless otherwise noted, the surcharge is in addition to the range of UI rates for merit-rated employers shown in the third column. Certain employers (i.e., maximum-rated) may be exempt from the surcharge. For states that have borrowed from the federal government, an additional surcharge for payment of interest may apply.
 3. The surcharge is shown separately on the quarterly contribution report (or billed on a separate notice).
 4. The surcharge is combined with the unemployment tax rate on the quarterly contribution report. Deduct the surcharge when completing the Form 940 worksheet.
 5. The wage base is set by law. Legislation is needed to change it.
 6. "Building" refers to the construction industry.
 7. 2023 SUI tax rate information is not yet available. See gray shaded cells.
 8. The state's SUI tax rates are in effect July 1 through June 30.

Alabama

2023 SUI tax information is based on the 2023 SUI rate notice.

Arizona

Effective January 1, 2023, legislation ([SB 1828](#)/Chapter 412) increased the SUI taxable wage base to \$8,000, up from \$7,000. This increase is intended to fund the rise in the maximum weekly UI benefit amount, which effective July 1, 2022, increased to \$320, up from \$240.

Arkansas

For calendar years after 2019, the wage base is determined each year based on the average seasonal unadjusted insured unemployment rate and disbursements from and the balance of the state's UI trust fund. The wage base can range from \$7,000 to \$12,000. ([Ark. Code Ann. § 11-10-215.](#))

As a result of 2021 legislation ([HB 1409](#)/Act 368), the SUI taxable wage base for calendar year 2022 remained at \$10,000, the same as it was in 2021. Absent this legislation, and due to the continuing effect on the state's UI trust fund of the COVID-19 pandemic, the SUI wage base could have increased to \$11,000 or \$12,000 for 2022.

Colorado

Legislation in 2020 ([SB 20-207](#)) held the SUI taxable wage base at \$13,600 for calendar year 2021 with incremental increases each year thereafter until it reaches \$30,600 in 2026.

Specifically, SB 20-207 provides that the SUI taxable wage base will increase incrementally to \$30,600 by calendar year 2026.

Under the legislation, the variable SUI taxable wage base will be set at:

- ▶ \$13,600 for 2021
- ▶ \$17,000 for 2022
- ▶ \$20,400 for 2023
- ▶ \$23,800 for 2024
- ▶ \$27,200 for 2025
- ▶ \$30,600 for 2026, as adjusted by changes in the annual average weekly wage

SB 20-207 also provides that there are no fund-building surtaxes or additional rates added to the 2023 SUI base tax rate.

Connecticut

2021 [HB 6633/Public Act 21-200](#) increases the taxable wage base for calendar year 2024 to \$25,000, up from the current \$15,000 and makes other changes to Connecticut's UI law. Beginning with calendar year 2025, the taxable wage base will be indexed each year for inflation. HB 6633 also for calendar year 2024 expands the base rate schedule and reduces the fund solvency tax rate.

Other 2021 legislation ([HB 5377/Public Act 21-5](#)) requires that future tax rate computations not include UI benefit charges or taxable wages for the fiscal years ending June 30, 2020, and June 30, 2021. Similarly, the statewide benefits and taxable wages for calendar years 2020 and 2021 will be disregarded when calculating the 2022 tax rate that will apply to new employers. The legislation is effective for the computation of tax rates for tax years beginning January 1, 2022.

To mitigate the impact of the FUTA tax increase to employers, the Connecticut Legislature passed Public Act 22-118, which contains a provision reducing the state unemployment tax rates by 0.2% for calendar year 2023. This state unemployment tax rate reduction lessens the impact of the FUTA tax increase for those that are paying State Unemployment Tax Act (SUTA) in 2023. ([Employer Information on Federal and State Unemployment Tax Rate.](#))

Delaware

2013 legislation (HB 168) increased the SUI taxable wage base to a minimum of \$10,500 and a maximum of \$18,500 by linking the wage limit to the balance of the state's unemployment trust fund. The higher the trust fund balance, the lower the taxable wage base.

Florida

2021 [SB 50](#) directs that the 2022-2025 tax rates be calculated without applying the fund balance adjustment factor. SUI tax rate calculations for 2021-2025 will also exclude UI benefit charges from the second, third and fourth quarters of 2020 and all benefit charges paid as a direct result of a government order to close or reduce capacity of a business due to COVID-19, as determined by the Department of Economic Opportunity. Also, UI benefit charges from the first and second quarters of 2021 may be decreased if the Office of Economic and Demographic Research (EDR) estimates the total tax collection for rate year 2022 will exceed \$475,500,000 million. Changes to the 2023-2025 SUI tax rate calculation are repealed if the trust fund reaches \$4,071,519,600 on June 1.

SB 50 also required the state make three deposits during 2021 to the UI trust fund balance. The funding comes from online sales tax collected from out-of-state e-commerce companies as required under SB 50. In addition, beginning July 2022, and on or before the 25th day of each of the following months, the DOR will distribute \$90 million monthly to the state's UI trust fund.

Georgia

Effective January 1, 2023, the Administrative Assessment expires in accordance with 2016 GA House Bill 904. ([Georgia Department of Labor Portal.](#))

Hawaii

In 2022, [HB 2471/Act 281](#) amended the definition of “adequate reserve fund,” the factor used to determine the state unemployment insurance (SUI) rate schedule for the calendar year, to exclude the benefit cost ratio (BCR) from June 2020 to August 2021, effective from calendar years 2023 through 2030. As a result, the SUI rate schedule for 2023 was based on [Schedule F](#), with rates ranging from 1.2% to 6.2%, rather than Tax Schedule H, the highest rate schedule under the law, with rates ranging from 2.4% to 6.6%. (*Testimony, Hawaii Department of Labor and Industrial Relations director.*)

Idaho

On February 18, 2022, Idaho Governor Brad Little signed [House Bill 450](#) into law, giving employers stability and consistency in the state unemployment insurance (SUI) costs by extending the 2021 SUI rates for two years through 2023. It is estimated the legislation will result in tax savings of \$64 million for Idaho businesses over the next two years.

Because of HB 450, the Idaho 2023 SUI tax rates range from 0.207% to 5.4%, unchanged from 2022. (*Updated 2023 Rate Class Array.*)

The 2023 new employer SUI rate [continues](#) at 1.0%. (Idaho Department of Labor [website.](#))

Indiana

SUI rate information was confirmed by the Indiana Department of Workforce Development. (*Email response to inquiry, 1-12-23.*)

Legislation enacted in 2020 (HB 1111) sets a new SUI series of rate schedules in the state’s UI law, beginning calendar year 2021. However, for calendar years 2021–2025, the bill freezes employer basic SUI contribution rates (under new basic Rate Schedule C) to within the same range of basic rates as were in effect for calendar years 2011–2020 (under previous basic Rate Schedule E).

Under 2021 HB 6633, relief from UI benefit charges will be provided by crediting back to the employer’s experience balance account any UI benefits charged to employers between March 13, 2020, and June 30, 2021, before the 2022 rate assessments are calculated. Calendar year 2020 relieved charges may be mutualized for calendar year 2022 rating purposes. Calendar year 2021 relieved charges may be mutualized for calendar year 2023 rating purposes.

Iowa

In 2022, Iowa Governor Kim Reynolds signed into law [HF 2355](#), which makes several changes to potentially lower future SUI tax rates, in particular, and effective July 1, 2022, the number of weeks that a claimant may collect UI benefits is reduced from

26 weeks to 16 weeks. The number of weeks that an employee is entitled to benefits due to a business closure is reduced from 39 weeks to 26 weeks.

With the enactment of HF 2355, Iowa joins several other states (Alabama, Arkansas, Florida Georgia, Kansas, Michigan, Missouri, North Carolina, Oklahoma and South Carolina per the US Department of Labor [2021 Comparison of State Unemployment Laws](#)) that have reduced the number of weeks of UI benefits that unemployed individuals may collect during their UI benefit year.

Kansas

2021 legislation ([HB 2196](#)), effective for tax year 2022, replaces the previous tax rate schedules with 13 new rate schedules geared toward restoring and maintaining UI trust fund solvency.

Kentucky

The taxable wage base is expected to continue to increase by \$300 each calendar year until it reaches \$12,000.

New Kentucky construction employers are assigned the highest rate in the rate chart in effect for the calendar year. (Kentucky Unemployment Insurance Employer Guide, p. [25.](#))

Louisiana

2022 legislation ([HB 192/Act 116](#)) freezes the 2023 Louisiana SUI taxable wage base to \$7,700, as has been the case for calendar years 2021–2022.

Legislation passed in 2021 ([SB 89/Act 91](#)) requires that the taxable wage base remains at \$7,700 for 2022. In 2020, legislation ([SB 55/Act 40](#)) provided that the SUI taxable wage base remained at \$7,700 for 2021.

Maine

The Unemployment Program Administrative Fund (UPAF) was created in 2021 to ensure adequate funding for the state’s UI program ([2019 Chapter 616](#)). This surcharge is not credited to employer accounts as SUI taxes and should not be used when calculating federal unemployment (FUTA) liability.

Maryland

Legislation ([SB 811/Chapter 73](#)) required that Maryland Governor Larry Hogan deposit enough federal relief funds into the state’s SUI trust fund to ensure that Rate Schedule C, the midway point of SUI rate schedules under the state UI law, be in effect for calendar year 2022. The bill also requires that Rate Schedule C be used for calendar year 2023. SUI tax rates on Rate Schedule C range from 1.0% to 10.5%. (*Governor’s news [release.](#)*)

Michigan

If Michigan's SUI trust fund balance fell below \$2.5 billion on June 30, 2022, the highest wage base of \$9,500 applies. Otherwise, the wage base is \$9,000.

Minnesota

Per Minnesota law, the base tax rate and whether an additional assessment will be in effect for any year is determined by the balance in the UI Trust Fund on March 31 of the previous year.

[SF2677/Ch 50 enacted in 2022](#) sets the base tax rate at 0.1% and the additional assessment at 0% for 2023, and the highest tax rate is capped at 8.9%.

Mississippi

2020 [SB 3051](#) reduced the general experience rate to 0% for calendar year 2021, with SUI rates ranging from 0.0% to 5.4%. The legislation also provides that UI benefit charges paid out for the period of March 8, 2020, to June 30, 2020, would be omitted when calculating the 2021-2023 tax rates, and that UI benefit charges paid out for the period of July 1, 2020, through December 31, 2020, would be omitted when calculating the 2022-2024 tax rates.

The combined state workforce investment, Mississippi Works, and Workforce Enhancement Training surcharge continues at 0.2%.

Missouri

Missouri Governor Mike Parson approved [H.B. 2168](#), which is effective January 1, 2023, requires employers with a unemployment contribution rate greater than zero to pay an annual unemployment automation adjustment surcharge of 0.02% of its total taxable wages for the 12-month period ending the preceding June 30. The automation adjustment is used to modernize the state's unemployment automated systems and improve the program. The Division of Employment Security is authorized to reduce the percentage to ensure that the total amount collected annually does not exceed \$5 million.

Each employer liable to pay an automation adjustment will be notified of the amount due by March 31 of each year. For the first quarter of each calendar year, the total contribution amount due will be reduced by the dollar amount of the unemployment automation adjustment, however, the first contribution amount may not be reduced to zero. [See new section 288.133.].

Nebraska

2019 legislation ([LB 428](#)) increased the SUI taxable wage base to \$24,000 for employers assigned the maximum rate. This change was effective for calendar year 2020. The taxable wage base remains \$9,000 for all other employers.

New Jersey

Employee contribution rate includes the Workforce Development/ Supplemental Workforce Funds surcharge. [A4853](#), enacted in 2020, reduces the effect of regular state COVID-19 UI benefits on New Jersey employer SUI tax rates starting fiscal year 2022 through fiscal year 2024 by preventing the move to a higher SUI rate schedule over the subsequent three fiscal years, something that had been anticipated due to the reduction in the state's UI trust fund from COVID-19 UI benefit payouts.

Following are the maximum SUI tax rate ranges under AB 4853:

- ▶ For fiscal year 2023 (July 1, 2022, to June 30, 2023), the assignment of SUI tax rates will move from Rate Schedule C to Rate Schedule D, with rates ranging from 0.6% to 6.4%.
- ▶ For fiscal year 2024 (July 1, 2023, to June 30, 2024), the assignment of SUI tax rates will move from Rate Schedule D to Rate Schedule E, with rates ranging from 1.2% to 7.0%.

New Mexico

The 2023 SUI tax rate information was obtained from the 2023 SUI rate notice.

New York

The taxable wage base will continue to increase as follows: 2022-\$12,000; 2023-\$12,300; 2024-\$12,500; 2025-\$12,800; 2026-\$13,000; for each year thereafter, computed as 16% of the state's average annual wage.

North Carolina

The 2023 SUI rate information was obtained from the 2023 SUI rate notice.

Ohio

2016 legislation ([SB 235](#)) increased the SUI taxable wage base to \$9,500 for calendar years 2018 and 2019. The taxable wage base reverted to \$9,000 effective January 1, 2020, and will remain at that amount unless changed by future legislation.

Oklahoma

Oklahoma law requires that if the state UI trust fund balance falls to less than \$25 million, employers will be assessed a quarterly fund-building surcharge as great as 33.3%.

The diversion of 5% of employers' tax rates continues for 2021 and 2022, with proceeds going to the OESC technology fund to allow the agency to modernize its business processes and technology. The diversion is in effect for calendar years 2018-2022. Employers assigned the maximum SUI tax rate are not subject to this diversion.

Oregon

The 2023 tax rate information was obtained from the 2023 SUI rate notice.

HB 3389, enacted in 2021, requires that SUI tax rates for calendar years 2022 through 2024 be computed using the same employer experience that was used to determine the SUI tax for calendar year 2020, the period before the COVID-19 emergency began.

HB 3389 also extends the lookback period used to determine the UI trust fund solvency level from 10 years to 20 years, provides that calendar years 2020 and 2021 will be omitted from the lookback period, and makes other changes designed to permanently lower the UI trust fund balance, statewide tax schedule and employer SUI tax rates.

Because of HB 3389, the 2020 experience factor was used in the 2023 SUI tax rate calculation.

Puerto Rico

2023 SUI tax rates are based on the 2023 SUI rate notice.

2017 legislation grants the territory's Secretary of Labor the discretion to increase the taxable wage base to as much as \$10,500 if deemed necessary.

Rhode Island

Negative-balanced employers assigned the maximum tax rate will have a taxable wage base that is \$1,500 higher than other employers (e.g., for 2023, \$28,200 versus \$29,700 for negative-balanced employers).

South Dakota

The 2023 SUI rate notice shows that SUI tax rates will continue on Rate Schedule B. New employers do not pay the administrative surcharge of 0.02% until experience-rated.

Tennessee

Under Tennessee UI law, if the UI trust fund balance on December 31 of any year is less than \$900 million, the taxable wage base is \$9,000. If the trust fund balance is above \$900 million but less than \$1 billion on December 31, the taxable wage base is \$8,000. If the trust fund balance is over \$1 billion on December 31, the taxable wage base is \$7,000.

Utah

2021 HB 2002 held the social cost rate factor for 2022 to 0.3%. For 2023-2024, the social cost rate factor will be held to not more than 0.4%. HB 2002 also held the reserve factor to 1.15 for 2022, and to not more than 1.2 for 2023-2024. Utah SUI tax rates are calculated by the following formula: Employer benefit ratio X reserve factor + social cost.

Vermont

2021 legislation (SB 62/Act 51) lessened the impact that COVID-19 UI benefits had on the fiscal year 2022 SUI tax rates by disregarding all UI benefits from calendar year 2020 when the individual SUI tax rates were calculated. The law further requires that calendar year 2021 UI benefits under certain COVID-19-related circumstances will not be used in calculating tax rates for fiscal year 2023 and later.

To be eligible for relief of regular COVID-19 UI benefit charges for 2021, employers had to request relief of these charges.

SB 62 required that UI benefit charges for calendar year 2020 not be used in the computation of the "current fund ratio" and the "highest benefit cost rate," factors used to determine which of the five rate schedules provided for by law will be in effect for the next fiscal year.

Virginia

The Virginia Employment Commission [announced](#) that the unemployment insurance fund trust fund returned to pre-pandemic levels and surpassed key solvency levels. As of December 2, 2022, the Virginia unemployment insurance trust fund balance available for benefits is \$1,466,766,128. Because of actions taken by the General Assembly and approved by the governor, employers will see the elimination of the \$16 per employee fund builder tax in 2023.

The Commission also announced that in previous sessions of the Virginia General Assembly, the unemployment insurance taxes were capped at their calendar year 2021 levels. While an employer can improve their tax rates, for 2023, rates will not exceed those paid in calendar year 2021 unless the employer is delinquent in remitting their taxes. Between December 2020 and June 2022, the General Assembly also authorized deposits of over \$1.2 billion in federal Coronavirus Aid, Relief, and Economic Security Act and American Rescue Plan Act funding into the trust fund.

Virgin Islands

The 2023 wage base was reported by the *St. Thomas Source* on December 29, 2022.

Legislation (2019 Bill No. 33-0090) changed the method of determining employer SUI tax rates from a flat 2.5%, assigned to most employers, to a payroll variation system that is similar to Alaska's rating system. Additionally, a fund solvency rate may be added to the base rate, which will be based on the solvency of the territory's UI trust fund.

Washington

2022 [SB 5873](#), signed into law on March 11, 2022, reduces the social cost factor for nearly all employers in 2022 and 2023 (those in the highest rate classes likely won't see a reduction) and reduces the social tax for many employers with 10 or fewer employees for 2023. In general, employers may pay a social tax in addition to experience-rated tax. The law reduces the maximum social tax from 0.75% to 0.50% in 2022, and from 0.80% to 0.70% in 2023. Further, in 2023, employers with 10 or fewer employees, as of the fourth quarter of 2021, will have a graduated social tax factor capped at rate 7. This would lower the tax rate for small businesses that are in rate class 8 or higher.

[SB 5061](#) (and, for 2021, the governor's Executive Order [20-81](#)) also suspends the assessment of a solvency surcharge of 0.2% for tax years 2021-2025. The surcharge is assessed when the balance of the state UI trust fund as of the September 30 preceding the tax year is not sufficient to pay seven months of UI benefits.

The changes in computing employer SUI tax rates were projected to prevent a cost increase to employers of over \$921 million for 2021 and \$1.7 billion overall from 2021 through 2025.

West Virginia

Under current law, the wage base is lowered to \$9,000 if the unemployment trust fund is at least \$220 million on February 15 of any year. (*W. Va. Code § 21A-1A-28; Code of State Rules §83-1-7.1; Workforce West Virginia email notice to taxable employers, 2-17-2022.*)

Per the 2023 SUI rate notice, the 2023 tax rates will continue on Column C with rates ranging from 1.5% to 8.5% including a 1.0% surcharge. New employers continue to pay at 2.7% except for construction employers, which pay at 8.5%. (WV Chapter 21A, Article 5, Section 10.)

Wisconsin

2021 [AB 406/Act 59](#) mandates that Rate Schedule D, the lowest by law, be used for calendar years 2022-2023. The Act also required that \$120 million in appropriations be transferred to the state's UI trust fund for the biennium budget years of 2021-2023.

The 2023 tax rates were obtained from the 2023 SUI rate notice.



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