



Florida Department Of Revenue
Tax Information Publication

TIP

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2010**

UNEMPLOYMENT TAX

Taxable Wage Base

The amount of wages per employee subject to unemployment tax (the taxable wage base) for 2011 will remain at \$7,000. Employers may, once again, make installment payments for the first three quarters of 2011. For more information, see the “Installment Payment Options” section below. The taxable wage base is scheduled to increase to \$8,500 in the years 2012 through at least 2014.

The State of Florida has continued to borrow funds from the federal government to pay unemployment compensation benefits since the trust fund was depleted in 2009. If the state has not fully repaid the principal of the loans by the end of 2014, the taxable wage base will remain \$8,500 until the federal loans have been fully repaid.

These provisions affect all contributing employers. A contributing employer is an employer that calculates its quarterly unemployment tax due by multiplying its taxable wages by its tax rate. Throughout this Tax Information Publication (TIP), “employer” means contributing employer.

Special Annual Assessment for Federal Interest

As mentioned earlier, the State of Florida has borrowed funds from the federal government to pay unemployment compensation benefits. All contributing employers will pay a share of the federal interest payment through a special annual assessment. This assessment must be paid by June 30, 2011.

Each employer will pay their proportionate share according to the calculation specified in law.

The Department of Revenue will send notices by February 1, 2011, explaining the calculation of the assessment. It will include a coupon for the employer to pay their share of the interest on the federal advances.

Installment Payment Options

Typically, the *Employer’s Quarterly Report* (UCT-6) and full payment of the quarterly tax are due by April 30, July 31, October 31, and January 31 (of the following year). For 2011, employers are again permitted to make installment payments for the first three quarters of 2011 if the UCT-6 and installment payment are submitted on time. An employer who chooses to pay in installments **must pay an installment fee of \$5.00 one time per calendar year**, with the UCT-6 for the quarter in which the election for installments is made. The Department will provide several options for employers to submit the additional installment payments.

Here’s how the installment option works:

The tax amount due with the **first** quarterly unemployment tax report (quarter ending March 31 and due by April 30), may be paid in **four equal payments** using these dates:

1. April 30 – Installment payment and UCT-6 must be submitted on time.
2. July 31
3. October 31
4. December 31

The tax amount due with the **second** quarterly unemployment tax report (quarter ending June 30 and due by July 31), may be paid in **three equal payments** using these dates:

1. July 31 - Installment payment and UCT-6 must be submitted on time.
2. October 31
3. December 31

The tax amount due with the **third** quarterly unemployment tax report (quarter ending September 30 and due by October 31), may be paid in **two equal payments** using these dates:

1. October 31 - Installment payment and UCT-6 must be submitted on time.
2. December 31

The installment method **does not apply to the fourth quarterly unemployment tax report** (quarter ending December 31.) The entire amount of tax for the fourth quarter is due by January 31 of the following year.

Employers who are required to file and pay electronically must also submit installment payments electronically.

If an employer becomes liable to file and pay unemployment tax after the first quarter of 2011 and wants to pay by the installment method, the employer must submit the \$5.00 installment fee and the correct installment payment with the first *Employer's Quarterly Return* (UCT-6) filed.

If an employer files the UCT-6 and makes the installment payments in full and on time every quarter, no interest will be due. If any of the installment payments for any of the first three quarters are not paid on time and in full, the employer has not met the requirements of the law. Interest and fees will be due on all tax amounts not paid for that quarter by the installment due date. Penalties may also be assessed.

The employer may pay **more** than the minimum tax due with any installment payment. If an installment payment is **less** than the required amount, the Department will calculate interest on the underpayment and bill the employer. Payments made using the installment method do not change the original due dates of the *Employer's Quarterly Reports* (UCT-6).

Employers may wish to sign up for the Department's due date reminder service to receive email notices of upcoming due dates. Look for the "Subscribe to our tax publications" link on our Internet site.

FOR MORE INFORMATION

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For forms and other information, visit our Internet site at www.myflorida.com/dor or call Taxpayer Services, 8:00 a.m. to 7:00 p.m., ET, Monday through Friday, excluding holidays, at 800-352-3671.

Persons with hearing or speech impairments may call our TDD at 800-367-8331 or 850-922-1115.

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

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