



Florida Department Of Revenue
Tax Information Publication

TIP

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UNEMPLOYMENT TAX – 2011 LEGISLATIVE CHANGES

Legislation passed this year affects unemployment tax in the following ways:

2012 TAX RATE CALCULATION

The calculation of tax rates for contributing employers is defined in Chapter 443, Florida Statutes. Three elements control the calculation of the factors which comprise your rate:

- Taxable wages.
- Benefits charged.
- The balance in the Florida Unemployment Compensation Trust Fund on September 30th.

The new (2011) law changes annual tax rates computed for the years 2012, 2013 and 2014, by charging only 90 percent of the employer's benefit charges during the July 1, 2008 – March 31, 2011 periods. Benefits paid after March 31, 2011 will be charged at 100 percent when determining tax rates.

INSTALLMENT PAYMENT OPTION

The option to pay unemployment tax in installments for the first three quarters has been extended through 2014. As in prior years, the employer must pay an annual \$5 fee with the first installment payment for the year. More information, including an online calculator, is on our Internet site at www.myflorida.com/dor.

MEMORANDUM OF UNDERSTANDING

Effective June 27, 2011, the number of employers for which an agent must provide payroll services before the agent can use a Memorandum of Understanding (MOU) has been decreased from 500 clients to 100 clients. The MOU allows the agent to obtain confidential unemployment tax rate information from the Department of Revenue ("the Department"). Section 213.053(4), Florida Statutes, provides that the Memorandum of Understanding must include a statement, signed by the agent, that the agent:

- Will maintain the confidentiality of the information.
- Has a completed Form DR-835 (*Power of Attorney*) on file from the client for which the agent is requesting the tax rate information.
- Will provide the Department a copy of the *Power of Attorney* form upon request.

CONSUMER REPORTING AGENCIES

Individuals applying for a loan, mortgage, consumer credit, employment, rental of real estate and other transactions may authorize the creditor, prospective employer, prospective landlord, etc. to verify prior and current employment and wages.

Effective June 27, 2011, consumer reporting agencies may contract with the Agency for Workforce Innovation (AWI) to obtain secure electronic access to state wage and employment data for themselves and their customers. Note: AWI will become part of the new Department of Economic Opportunity (DEO) on October 1st.

This access to confidential information will be provided only if an individual has authorized a creditor, prospective employer, prospective landlord, etc., to verify prior and/or current employment and/or wages. The consent form must be signed by the individual and include notification that:

- The information will be released to a consumer reporting agency.
- The release is for the sole purpose of reviewing the application for credit, employment, or other permitted purposes.
- The wage and employment records of AWI (DEO) or the Department will be accessed.

The notification must also include a list of the parties authorized to receive the information.

References: Sections 213.053, 443.131, 443.141 and 443.17161, Florida Statutes (2011), and Sections 1, 9, 10 and 16, Chapter 2011-235, Laws of Florida (HB 7005).

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, Mail Stop 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

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