



Florida Department of Revenue
Tax Information Publication

TIP

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**Employee Leasing Companies Can Elect to Report and Pay
Unemployment Tax Using the Tax Rate for Each Client**

Recent law changes allow employee leasing companies (ELC) to make an irrevocable, one-time election to report and pay unemployment tax contributions using the tax identification number and contribution rate for each client company of the ELC (client method). A currently licensed ELC electing to report and pay unemployment tax using the client method must file an election request through the Department's Internet site along with the client company details between June 1 and July 2, 2012 (July 1 is a Sunday). This one-time election by an ELC will be binding on all current and future clients.

Beginning with wages paid on or after January 1, 2013, an ELC electing to use the client method will electronically file and pay separately for each client company. Instructions will be on the Department's website at www.myflorida.com/dor in late May 2012. A currently licensed ELC that does not timely file an election request to use the client method and provide the client company details must continue to report under its own unemployment tax account number and tax rate. The deadline is July 2, 2012.

An ELC making this election must provide the Florida unemployment tax account number, or if one has not yet been issued, the federal employer identification number (FEIN) for each current client. Under the client method, each client company must have or must obtain a separate unemployment tax account number. The fastest way to obtain an unemployment tax account number is by registering online:

<https://taxapps3.state.fl.us/Iregistration/>

The ELC will be able to enter (key or import) each client company's information through the Department's Internet site. The import file specification will include the items below:

ELC Information: DBPR License #, Licensure Issue Date, Company Name, UT #

Client Information: FEIN, UT #, Legal Entity Name, Mailing Address, City, State, ZIP, Leasing Start Date, Leasing End Date

Employee Information: SSN, First Name, Middle Name, Last Name, Gross/Taxable/Benefit Charges for Q3 2009 through Q2 2012

A 2013 annual tax rate will be calculated for each client company. The ELC must use the new rate to electronically file and pay a separate *Employer's Quarterly Report* (Form UCT-6) for each client company. An initial contribution rate of 2.7% will be assigned to client companies for whom the ELC has filed fewer than eight (8) chargeable quarters (generally 10 filing quarters), until an earned rate can be calculated. Wage and benefit charges for employees not assigned to a client company will remain with the ELC. The information remaining with the ELC will be used to calculate the ELC's 2013 annual tax rate which will be used when reporting its internal employees.

For the remaining quarters in 2012, an ELC electing the client method will continue filing for all leased and internal employees using its unemployment tax account number and tax rate. Beginning with wages paid on January 1, 2013, the client method ELC must electronically file a separate *Employer's Quarterly Report* and tax payment for each client company. The ELC will continue to file its own *Employer's Quarterly Report* for its internal employees using the contribution rate assigned.

On or after July 1, 2012, a newly licensed ELC will have 30 days from the date of licensure by the Department of Business and Professional Regulation to make an election with the Department of Revenue to report and pay unemployment tax contributions using the client method. A newly licensed ELC that does not timely notify the Department of its election to report using the client method must report all leased and internal employees under its own unemployment tax account number and tax rate.

References: Subsection 443.1216(1)(a), Florida Statutes; Section 12, Chapter 2012-30, Laws of Florida

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.

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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