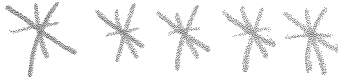




UC-700 (4-03)



JUNE 2011

GOVERNOR SIGNS BILL IMPOSING SPECIAL ASSESSMENT ON 2011 AND 2012 WAGES

House Bill 2619, which becomes law effective July 20, 2011, imposes a Special Assessment (SA) on taxable wages paid in 2011 and 2012. This action was necessary to meet federally imposed unemployment trust fund obligations and prevent a Federal Unemployment Tax (FUTA) increase on Arizona employers. Payment of the SA for the first three quarters of 2011 is due by October 31, 2011.

All employers who are subject to Arizona UI Tax are also subject to the SA. Reimbursement employers (certain non-profit organizations, government agencies, and Indian tribes who reimburse DES for unemployment benefit payments in lieu of paying taxes) are exempt. The DES UI Tax Section will collect the SA, as follows.

- The SA rate is currently projected to be 0.40% of taxable wages paid in 2011 ("taxable wages" are the first \$7,000 of gross wages paid to each employee in a calendar year).*
- The SA rate is currently projected to be 0.60% of taxable wages paid in 2012.*
- In September 2011, DES will mail employers statements of the SA amounts they owe, if any, for the first two quarters of 2011.
- Beginning with the third quarter of 2011, SA amounts are payable with quarterly UI taxes and reported on Line 7, Section C of the Unemployment Tax and Wage Report (form UC-018).
- You may include the amount of SA due for the first two quarters of 2011 on your third quarter 2011 report and remit a single payment for all amounts due.
- Alternatively, you may pay the SA for the first two quarters separately from a report, via the online Tax and Wage System (TWS) or by check or money order.

Arizona is one of more than 30 states that borrowed money from the federal government after their unemployment trust funds were depleted during the recession. This enabled the states to continue paying unemployment benefits to eligible claimants as required by federal law. Arizona first borrowed in March 2010 and SA monies collected are for repaying the loan principle with interest in time to prevent an increase in FUTA taxes. Interest on the loans was waived in 2010 due to a provision in the American Recovery and Reinvestment Act of 2009, but began accruing on January 1 of this year.

***Note:** HB 2619 grants the DES director authority to determine SA rates and they were not finalized at the time of this writing. Go to www.azuitax.com for updates.

MAJOR UPGRADE TO ONLINE REPORTING & PAYING SYSTEM!

An extensive reprogramming of Arizona's Internet Tax and Wage System (TWS) went live last month. Among the improvements to the Wage Report are a more user-friendly screen layout and enhanced functionality including:

- Ability to delete multiple selected employees from your wage detail listing all at once instead of individually
- AutoSave of data upon successful employee wage file upload or import of employee data from a prior quarter
- Format for manual entry of wage detail data that minimizes potential for loss of entries
- More comprehensive additional instructions accessed via an easily noticed link on the report screen

To **USE TWS**, you must have an active Unemployment Insurance (UI) account as a Rated or Reimbursement employer, but more information on TWS is available to everyone. Go to www.azuitax.com and select the TWS link in the Online Services section, then either the Additional Information and Instructions link or, to use TWS, the Login button.

To **LOGIN**, enter your Arizona UI account number and TWS password printed in the upper right area of the Unemployment Tax and Wage Report, form UC-018, mailed to you each quarter (your password changes every quarter). For password assistance, phone the Employment Administration Help Desk at (602) 542-2460.

On TWS you can **FILE A WAGE REPORT** of wages paid to as many as 999 employees, **OR A ZERO-WAGE REPORT** indicating you had no employees and paid no wages. **If you file all UI-liable quarters of a calendar year online, TWS will accurately compute your taxable and excess wages and tax due every quarter automatically.**

MAKE AN ELECTRONIC PAYMENT in any amount, either along with your report or as a payment only, or file your report electronically and pay by paper check or money order.

You will receive immediate **CONFIRMATION** when your report has been filed and/or payment has been accepted.