

## **Unemployment-Compensation Tax Delayed for 2 Years.**

**TALLAHASSEE** — Legislators Tuesday agreed to grant nearly a half-million businesses a two-year delay in a massive unemployment-compensation tax increase.

The House approved the measure 117-0 shortly after convening the 60-day session. The Senate followed suit later in the afternoon, voting 39-0 to send it off to Gov. Charlie Crist, who signed it into law Tuesday evening.

Without action, businesses would see their unemployment-compensation taxes zoom, in some cases, as much as 1,000 percent, on April 1. Businesses will still see the minimum per-employee tax rise from \$8.40 to \$25.20, but it will be much less than the \$100.30 rate they would have otherwise faced.

Rep. Dave Murzin, the Pensacola Republican who is chairman of the committee that wrote the bill, acknowledged that the measure is no silver bullet. But he said it was necessary to stave off another round of layoffs.

Murzin said the bill also does not fix the problem of an underfunded unemployment compensation trust fund.

"The problem is there are a lot of Floridians unemployed," Murzin said. "We saw the train coming last year and made changes to restore the state's unemployment compensation trust fund."

But Murzin said Florida's businesses are still far too vulnerable to absorb a big increase in unemployment costs.

"This will buy us some time," he said. "But the train is still going to hit us in two years."

The Legislature's swift action on the issue drew praise from Ted Kirchharr, vice president and chief operating officer of Landrum Companies, a Pensacola-based temporary staffing business.

"We appreciate the fact the Legislature listened to the business community," Kircharr said. "Obviously raising taxes in the middle of a recession is not a good idea."

Kircharr said any employer that utilized part-time workers would be especially hard hit by the tax increase under the 2009 legislation.

Although the bill passed Tuesday would roll back those sky-high increases, most businesses still will see a slight increase in the minimum rate charged per employee, Kircharr said.

Unless the economy turns around, and a large number of the 1.1 million Floridians cashing unemployment checks find work, the minimum tax rate will rise to \$53.90 in 2011 and \$192.95 in 2012. The increases are necessary to begin paying interest on more than \$1.1 billion the state has borrowed from the federal government to keep the benefits flowing.