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***UCAN ADVOCACY ALERT!***

**URGE OUR LEGISLATORS TO…**

* **Pay Down the Unemployment Insurance Fund Debt**
* **Help Employers Avoid Costly Fee Increase**
* **Support the $4 Billion Budget Allocation from the $62 Billion Surplus**

***PLEASE CALL TODAY!!***

Senator Richard Pan 916.651.4006

Assemblyman Jim Cooper 916.319.2009

Assemblyman Ken Cooley 916.319.2008

**Background:**

**COVID-19 Shutdowns Led to a Historic UI Fund Debt:** COVID-19 shutdowns meant more Californians than ever before claimed unemployment, causing CA’s UI Fund to fall nearly $20 billion into debt.

**UI Fund Debt Means Higher Per-Employee Taxes Starting in 2023:** When the UI Fund is in debt, all employers in California pay increased payroll taxes on a per-employee basis, regardless of size or industry. Those taxes start at $21 per employee, and rise by $21 every year. In 2023, these taxes will be roughly $350 million statewide. However, they will *rise significantly over time,* soaring to $1 billion by 2025 and $2 billion by 2028.

**Other States Have Helped Pay Down UI Fund Debts:** Twenty-two states have recognized the effect of COVID-19 on their UI Funds and stepped into help their business communities with the increased taxes.

**A Coalition of Business Groups Urge the Legislature to Approve a 2-pronged Approach:**

**Immediate Tax Relief of $1 billion**: To address the immediate tax increases coming in January 2023, businesses need tax relief so that they are not disincentivized from hiring and rebuilding. It would cost California about $1 billion to cover the 2023 and 2024 calendar year tax increases for all employers.

**$3 billion To Pay Down a Portion of Outstanding Debt**: The largest tax increases will hit California businesses in later years, and the state will be forced to pay interest on the outstanding principal. A direct payment now would be a good use of a one-time surplus to address costs that we know are coming in future years.

***$4 BILLION FOR SHORT AND LONG-TERM AID FOR CA’s UI Fund***

**For more information contact Dave Butler, UCAN Advocate at** **dbutler@amgroup.us**

***UCAN: El Dorado County, El Dorado Hills, Elk Grove, Folsom, Lincoln, Rancho Cordova, Roseville, Rocklin, Yuba Sutter Chambers of Commerce***