

STATE OF NEVADA

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Department of Employment Training and Rehabilitation
EMPLOYMENT SECURITY DIVISION
500 E. Third Street
Carson City, Nevada 89713-0001

REQUEST FOR COMMENTS FROM SMALL BUSINESSES

Due to the current unprecedented economic downturn and historic rates of unemployment, the Department of Employment, Training and Rehabilitation, Employment Security Division, anticipates an increase may be necessary in the average unemployment insurance tax rate for experience rated employers for calendar year 2010.

As a result, and in compliance with NRS 233B.0608, the Division is soliciting comments from small business owners to gauge the effect that a tax rate increase would have on their businesses. (Note: A small business is defined as 149 employees or less by NRS 233B.0382.)

The tax methodology used for the Nevada Unemployment Compensation Program is based on an experience rating system approved by the U.S. Department of Labor. This system is designed to ensure that employers are equally rated based on their unique experience with the Unemployment Insurance (UI) Program, regardless of size or industry type. Having a federally approved UI tax rate system allows Nevada employers an offset credit of 5.4% against the 6.2% Federal Unemployment Tax (FUTA).

All new employers pay at a rate of 2.95% of taxable wages until they are eligible for experience rating. New employer rates are not subject to change as part of the rate setting process. Once eligible, an annual tax rate schedule is applied to all experience rated employers based on the individual business' experience record. While the tax rate schedule for 2010 is not yet established for experience rated employers, it is important to remember that the direct impact on each individual business will vary based on each employer's experience record with the Unemployment Insurance (UI) Program, as well as the rate schedule that is established for the calendar year.

Written comments must be received by the Employment Security Division on or before October 1, 2009, at the following address:

Department of Employment, Training and Rehabilitation, Employment Security Division, 500 E. Third St., Carson City, NV 89713, Attn: Joyce Golden

Individuals wishing to comment in person on this proposed action may appear at the Employment Security Council Meeting and Public Workshop scheduled on Tuesday, October 6, 2009, at 10:00 A.M. at the Legislative Building, 401 S. Carson Street, Room 2135, Carson City, Nevada. The workshop is also available by videoconference at the Grant Sawyer Building, 555 E. Washington Avenue, Room 4406, Las Vegas, Nevada. Internet broadcast is also available at www.leg.state.nv.us. The purpose of the workshop is to provide economic projections, review the status of the Unemployment Insurance Trust Fund, discuss tax rate strategies for calendar year 2010, and receive comments from all interested persons regarding the proposed amendment of a tax rate regulation that pertains to Chapter 612 of the Nevada Administrative Code.