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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 2728

01/31/2022 Authored by Haley, Robbins, Baker, Hamilton, Jurgens and others
The bill was read for the first time and referred to the Committee on Workforce and Business Development Finance and Policy

1.1 A bill for an act
1.2 relating to unemployment; replenishing the unemployment trust fund; freezing the
1.3 unemployment base tax rate, assessment, and taxable wage bases; excluding
1.4 COVID-19 related claims from the employer experience rating from certain
1.5 calendar years; appropriating money.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. UNEMPLOYMENT BASE TAX RATE AND ASSESSMENT FOR
1.8 CALENDAR YEAR 2022.

1.9 Subdivision 1. Tax rate. Notwithstanding Minnesota Statutes, section 268.051,
1.10 subdivision 2, in calendar year 2022, the base tax rate under Minnesota Statutes, section
1.11 268.051, subdivision 2, paragraph (b), is one-tenth of one percent.

1.12 Subd. 2. Assessment. Notwithstanding Minnesota Statutes, section 268.051, subdivision
1.13 2, in calendar year 2022, the additional assessment under Minnesota Statutes, section
1.14 268.051, subdivision 2, paragraph (c), is zero percent.

1.15 EFFECTIVE DATE. This section is effective the day following final enactment.

1.16 Sec. 2. CALENDAR YEARS 2022 AND 2023 TEMPORARY EMPLOYER
1.17 EXPERIENCE RATING.

1.18 Unemployment insurance benefits paid as a result of an applicant not being able to work
1.19 directly or indirectly as a result of the COVID-19 pandemic must not be used in any
1.20 experience rating computation required under Minnesota Statutes, section 268.051,
1.21 subdivision 3, in calendar years 2022 and 2023.

1.22 EFFECTIVE DATE. This section is effective the day following final enactment.

2.1 **Sec. 3. TAXABLE WAGES FOR CALENDAR YEAR 2022.**

2.2 Notwithstanding Minnesota Statutes, section 268.035, subdivision 24, for calendar year  
 2.3 2022, "taxable wages" means wages paid to an employee in covered employment, up to  
 2.4 \$35,000.

2.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.6 **Sec. 4. UNEMPLOYMENT INSURANCE TAXES FOR CALENDAR YEAR 2023.**

2.7 Subdivision 1. **Base rate and additional assessment.** Notwithstanding Minnesota  
 2.8 Statutes, section 268.051, subdivision 2, paragraphs (b) and (c), the base rate and additional  
 2.9 assessment, if any, for calendar year 2023 shall be based upon the amount in the trust fund  
 2.10 on the day following transfer of the funds to Minnesota's account in the Unemployment  
 2.11 Trust Fund in the United States Treasury as required under section 5 of this act.

2.12 Subd. 2. **Special assessment.** Notwithstanding Minnesota Statutes, section 268.051,  
 2.13 subdivision 8, the determination to impose a special assessment for interest on a federal  
 2.14 loan in calendar year 2023 shall be made on the later of October 31, 2022, or on the day  
 2.15 following transfer of the funds to Minnesota's account in the Unemployment Trust Fund in  
 2.16 the United States Treasury as required by section 5 of this act.

2.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.18 **Sec. 5. UNEMPLOYMENT TRUST FUND REPLENISHED; APPROPRIATIONS.**

2.19 Subdivision 1. **American Rescue Plan Act of 2021 funding.** If the federal government  
 2.20 does not forgive the amounts borrowed by the state from the federal Unemployment Trust  
 2.21 Fund since July 2020, \$1,154,000,000 of the American Rescue Plan Act of 2021 funding  
 2.22 received by the state from the state recovery fund in Public Law 117-2 shall be used to  
 2.23 replenish the Unemployment Trust Fund. Notwithstanding any law to the contrary, this  
 2.24 federal money shall be applied to replenish the Unemployment Trust Fund, before any  
 2.25 additional assessment, special assessment, or other state unemployment tax rate increase is  
 2.26 calculated or imposed on taxpaying employers.

2.27 Subd. 2. **Appropriation.** Notwithstanding any law to the contrary, \$1,154,000,000 in  
 2.28 fiscal year 2022 is appropriated from the fund or account where amounts received by the  
 2.29 state from the state recovery fund in Public Law 117-2 have been deposited to the  
 2.30 commissioner of management and budget for transfer to Minnesota's account in the  
 2.31 Unemployment Trust Fund in the United States Treasury, for the purpose of replenishing  
 2.32 the Unemployment Trust Fund, as provided under subdivision 1.

3.1 Subd. 3. **Appropriation.** In addition to the appropriation under subdivision 2,  
3.2 \$500,000,000 in fiscal year 2022 is appropriated from the general fund to the commissioner  
3.3 of management and budget for transfer to Minnesota's account in the Unemployment Trust  
3.4 Fund in the United States Treasury, for the purpose of replenishing the Unemployment  
3.5 Trust Fund.

3.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.