

Issue: December 2016

ETS Tax Intelligence: 2017 SUI Annual Taxable Wage Bases

Situation

In general, there are two main factors that determine an employer's annual state unemployment insurance ("SUI") tax costs: 1) the employer-specific tax rate assigned, and 2) the taxable wage base. The annual taxable wage base is a limit on the amount of an employee's wages on which an employer must pay SUI taxes, as set by each state/jurisdiction. In other words, an employer must pay SUI taxes up to the taxable wage base earned by each of its employees in a calendar year. The taxable wage bases established by state unemployment laws vary; however, they must equal or exceed the FUTA wage base (assigned at \$7,000 since 1983). Many states have set their taxable wage bases by law, requiring legislation to change them. Others use a formula to recalculate the wage base each year, often tied to the state average wage. In these states, the taxable wage base can be higher than in those that set an amount by law.

Solution

Employers will continue to receive their 2017 SUI tax rate notices well into the first quarter of 2017; however, 2017 taxable wage bases are substantively known and provided in the following table.

State	2016 Wage Base	2017 Wage Base	% Change	State	2016 Wage Base	2017 Wage Base	% Change	State	2016 Wage Base	2017 Wage Base	% Change			
AK	\$ 39,700	\$ 39,800	A	+0.3%	LA	\$ 7,700	\$ 7,700	A	0.0%	OK	\$ 17,500	\$ 17,700	A	+1.1%
AL	\$ 8,000	\$ 8,000	A	0.0%	MA	\$ 15,000	\$ 15,000	A	0.0%	OR	\$ 36,900	\$ 38,400	A	+4.1%
AR	\$ 12,000	\$ 12,000	A	0.0%	MD	\$ 8,500	\$ 8,500	A	0.0%	PA	\$ 9,500	\$ 9,750	A	+2.6%
AZ	\$ 7,000	\$ 7,000	A	0.0%	ME	\$ 12,000	\$ 12,000	A	0.0%	PR	\$ 7,000	\$ 7,000	A	0.0%
CA	\$ 7,000	\$ 7,000	A	0.0%	MI ⁽¹⁾	\$ 9,000 \$ 9,500	\$ 9,000 \$ 9,500	E	0.0%	RI ⁽²⁾	\$ 22,000 \$ 23,500	\$ 22,400 \$ 23,900	A	+1.8%
CO	\$ 12,200	\$ 12,500	A	+2.5%	MN	\$ 31,000	\$ 32,000	A	+3.2%	SC	\$ 14,000	\$ 14,000	A	0.0%
CT	\$ 15,000	\$ 15,000	A	0.0%	MO	\$ 13,000	\$ 13,000	A	0.0%	SD	\$ 15,000	\$ 15,000	A	0.0%
DC	\$ 9,000	\$ 9,000	A	0.0%	MS	\$ 14,000	\$ 14,000	A	0.0%	TN	\$ 8,000	\$ 8,000	A	0.0%
DE	\$ 18,500	\$ 18,500	A	0.0%	MT	\$ 30,500	\$ 31,400	A	+3.0%	TX	\$ 9,000	\$ 9,000	A	0.0%
FL	\$ 7,000	\$ 7,000	A	0.0%	NC	\$ 22,300	\$ 23,100	A	+3.6%	UT	\$ 32,200	\$ 33,100	A	+2.8%
GA	\$ 9,500	\$ 9,500	A	0.0%	ND	\$ 37,200	\$ 35,100	A	-5.6%	VA	\$ 8,000	\$ 8,000	A	0.0%
HI	\$ 42,200	\$ 43,500	E	+3.1%	NE	\$ 9,000	\$ 9,000	A	0.0%	VI	\$ 23,000	\$ 23,100	E	+0.4%
IA	\$ 28,300	\$ 29,300	A	+3.5%	NH	\$ 14,000	\$ 14,000	A	0.0%	VT	\$ 16,800	\$ 17,300	A	+3.0%
ID	\$ 37,200	\$ 37,800	A	+1.6%	NJ	\$ 32,600	\$ 33,500	A	+2.8%	WA	\$ 44,000	\$ 45,000	A	+2.3%
IL	\$ 12,960	\$ 12,960	A	0.0%	NM	\$ 24,100	\$ 24,300	A	+0.8%	WI	\$ 14,000	\$ 14,000	A	0.0%
IN	\$ 9,500	\$ 9,500	A	0.0%	NV	\$ 28,200	\$ 29,500	A	+4.6%	WV	\$ 12,000	\$ 12,000	A	0.0%
KS	\$ 14,000	\$ 14,000	A	0.0%	NY	\$ 10,700	\$ 10,900	A	+1.9%	WY	\$ 25,500	\$ 25,400	A	-0.4%
KY	\$ 10,200	\$ 10,200	A	0.0%	OH	\$ 9,000	\$ 9,000	A	0.0%	FUTA	\$ 7,000	\$ 7,000	A	0.0%

Footnotes

(1) The higher wage base applies to delinquent employers. (2) The higher wage base only applies to employers assigned the maximum rate.

A - Actual wage base, assuming no law change. E - Our best estimated wage base, assuming no law change. The above information has been obtained from sources considered to be reliable.

Value

The average annual taxable wage base from 2016 to 2017 is expected to increase from \$17,763 to \$17,976, an increase of 1.2%. Knowing the increase in the taxable wage bases in states in which you operate, coupled with an expectation of what your SUI tax rates will be (with use of a rate forecast), can allow you to better anticipate 2017 SUI tax costs. For more information, please contact Pete Krieshok at (314) 214-7325 or via e-mail at pete.krieshok@equifax.com. You can also visit our corporate blog at <http://insight.equifax.com/> for information on other employment tax matters that might impact your organization.