

State of Arkansas

Stabilization Tax for UI Administration Fund & Training Trust Fund

11-10-706. Future rates — Stabilization tax.

(a) (1) Each employer shall be required to pay a stabilization tax on wages paid by the employer with respect to employment.

(2) This stabilization tax shall not be credited to the separate account of each employer.

(b) The stabilization tax shall be determined as follows:

(1) If the assets of the Unemployment Compensation Fund on the computation date are equal to or greater than two percent (2%) but less than two and one-half percent (2.5%) of total payrolls for employment during the preceding calendar year, the stabilization tax shall be one-tenth of one percent (0.1%).

(2) If the assets of the Unemployment Compensation Fund on the computation date are greater than one and one-half percent (1.5%) but less than two percent (2%) of total payrolls for employment during the preceding calendar year, the stabilization tax shall be two-tenths of one percent (0.2%).

(3) If the assets of the Unemployment Compensation Fund on the computation date are greater than one percent (1%) but less than one and one-half percent (1.5%) of total payrolls for employment during the preceding calendar year, the stabilization tax shall be three-tenths of one percent (0.3%).

(4) If the assets of the Unemployment Compensation Fund on the computation date are greater than one-half of one percent (0.5%) but less than one percent (1%) of total payrolls for employment during the preceding calendar year, the stabilization tax shall be four-tenths of one percent (0.4%).

(5) If the assets of the Unemployment Compensation Fund on the computation date are less than one-half of one percent (0.5%) of total payrolls for employment during the preceding calendar year, the stabilization tax shall be seven-tenths of one percent (0.7%).

(6) If the assets of the Unemployment Compensation Fund on the computation date are less than four-tenths of one percent (0.4%) of total payrolls for employment during the preceding calendar year, the stabilization tax shall be one and one-tenth percent (1.1%) for the calendar year 1993, nine-tenths of one percent (0.9%) for the calendar year 1994, and eight-tenths of one percent (0.8%) for the calendar year 1995 and thereafter.

(c) Each employer eligible for an experience rating under § [11-10-705](#) shall have the employer's contribution rate reduced by one-tenth of one percent (0.1%) for any rate year when the assets of the Unemployment Compensation Fund on the computation date are greater than five percent (5%) of total payrolls for employment during the preceding calendar year.

(d) Employers who have elected to reimburse the Unemployment Compensation Fund in lieu of contributions under § [11-10-404](#) or § [11-10-713](#) shall be excluded from the provisions of §§ [11-10-703](#) — [11-10-708](#) or any experience rate computation.

(e) (1) The provisions of this section shall not be effective for any rate year when the assets of the Unemployment Compensation Fund, excluding contributions not yet paid, on the computation date equal or exceed two and one-half percent (2.5%) but are less than five percent (5%) of total payrolls for employment during the preceding calendar year.

(2) For the purposes of §§ [11-10-703](#) — [11-10-708](#), total payrolls shall exclude payrolls of employers who have elected to reimburse the Unemployment Compensation Fund in lieu of contributions under § [11-10-404](#) or § [11-10-713](#).

(3) (A) For the purposes of §§ [11-10-703](#) — [11-10-708](#), the assets of the Unemployment Compensation Fund as of the computation date shall include only contributions which were paid on or before June 30, the computation date.

(B) Provided, however, for the purposes of this section, the computation date is defined as September 30 of the calendar year preceding the tax year.

(C) It shall include any accounts receivable from the United States for its share of extended benefit payments which have been paid from the Unemployment Compensation Fund and any accounts receivable from employers who have elected to reimburse the Unemployment Compensation Fund for benefits paid under § [11-10-404](#) or § [11-10-713](#).

(D) However, it shall exclude the assets of the Unemployment Compensation Fund Extended Benefits Account and shall be reduced by any outstanding advances owed to the federal government.

(f) (1) (A) Provided, however, the proceeds of the stabilization tax in the amount of two and one-half hundredths of one percent (.025%) of taxable wages collected during the period July 1, 2007, through June 30, 2011, shall be deposited and credited to the Department of Workforce Services Training Trust Fund, there to be used for worker training.

(B) The total amount deposited into the Department of Workforce Services Training Trust Fund in any one (1) fiscal year shall not exceed two million five hundred thousand dollars (\$2,500,000).

(2) (A) However, the proceeds of the stabilization tax in the amount of two and one-half hundredths of one percent (.025%) of taxable wages collected during the period July 1, 2007, through June 30, 2011, shall be deposited and credited to the Department of Workforce Services Unemployment Insurance Administration Fund, there to be used for operating expenses of the unemployment insurance program necessary for the proper administration of § [11-10-101](#) et seq., as determined by the Director of the Department of Workforce Services.

(B) The total amount deposited into the Department of Workforce Services Unemployment Insurance Administration Fund in any one (1) fiscal year shall not exceed two million five hundred thousand dollars (\$2,500,000).

(3) The director shall report to the State Employment Security Advisory Council and the Arkansas Legislative Council on a quarterly basis as to any and all uses of the Department of Workforce Services Training Trust Fund and the Department of Workforce Services Unemployment Insurance Administration Fund.

History. Acts 1941, No. 391, § 7; 1963, No. 93, § 9; 1971, No. 35, § 12; 1973, No. 329, §§ 10, 11; 1975, No. 609, § 6; 1975 (Extended Sess., 1976), No. 1083, § 8; 1981, No. 43, §§ 11-13; 1983, No. 482, §

27; 1985, No. 8, § 8; 1985, No. 9, § 8; A.S.A. 1947, § 81-1108; reen. Acts 1987, No. 672, § 7; Acts 1989, No. 420, § 10; 1991, No. 48, § 8; 1993, No. 6, §§ 13, 14; 1997, No. 234, § 24; 2001, No. 1628, § 1; 2007, No. 551, § 3.

19-5-1232. Department of Workforce Services Unemployment Insurance Administration Fund.

(a) There is established on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous fund to be known as the “Department of Workforce Services Unemployment Insurance Administration Fund”.

(b) (1) This fund shall consist of the proceeds of the stabilization tax as specified in § [11-10-706](#)(f), any interest accruing on these revenues, and any other funds made available by the General Assembly.

(2) The fund shall be used for operating expenses of the unemployment insurance program necessary to the proper administration of the Arkansas Employment Security Law, § [11-10-101](#) et seq., as determined by the Director of the Department of Workforce Services.

(c) The Director of the Department of Workforce Services shall report to the Legislative Council on a quarterly basis on all uses of the fund.

History. Acts 2007, No. 551, § 2.

19-5-1131. Department of Workforce Services Training Trust Fund.

(a) There is established on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the “Department of Workforce Services Training Trust Fund”.

(b) (1) This fund shall consist of the proceeds of the stabilization tax as specified in § [11-10-706](#)(f), any interest accruing on these revenues, and any other funds made available by the General Assembly.

(2) The fund shall be used for worker training under rules and regulations promulgated by the Director of the Department of Workforce Services.

(c) The Director of the Department of Workforce Services shall report to the Legislative Council on a quarterly basis on all uses of the fund.

History. Acts 2007, No. 551, § 1.