



NFIB-Maryland – 60 West St, Ste. 101 – Annapolis, MD 21401 – www.NFIB.com/Maryland

TO: Senate Finance Committee

FROM: NFIB – Maryland

DATE: March 2, 2021

RE: **SENATE BILL 819** – Unemployment Insurance – Weekly Benefit Amount – Income Disregard

Founded in 1943, NFIB is the voice of small business, advocating on behalf of America's small and independent business owners, both in Washington, D.C., and in all 50 state capitals. With more than 250,000 members nationwide, and nearly 4,000 here in Maryland, we work to protect and promote the ability of our members to grow and operate their business.

On behalf of Maryland's small businesses, NFIB-Maryland offers the following comments on Senate Bill 819 – legislation that would increase the income disregard amount for the purposes of computing the weekly amount of unemployment benefits from \$50 to \$300.

The Department of Legislative Services' Issue Papers notes that from March through September of 2020, the Unemployment Insurance Trust Fund paid out \$1.4 billion in benefits to claimants. Further, the UITF's balance is shrinking at a far greater rate than it experienced during the Great Recession.

Maryland employers are responsible for paying into the state's UITF. As such, their rates are based on a variety of factors, chief among them the solvency of the UITF. NFIB members are concerned increasing the income disregard amount sixfold will deplete the UITF at a much faster rate and lead to higher UI taxes for small businesses. Particularly at a time when the Maryland Department of Labor is in negotiations with the federal government to convert federal UI loans into grants.

Should the legislature choose to move forward with increasing the income disregard amount it is imperative to provide relief for Maryland rate payers. [Senate Bill 811](#) provides such relief by phasing in anticipated rate increases for Maryland employers.

SB819

Modeled after a law enacted in New Jersey, SB811 would provide an appropriate balance of protecting small businesses from large UI tax rates while still providing for the solvency of the UITF.

NFIB looks forward to working with the committee on the myriad issues surrounding the state's Unemployment Insurance Trust Fund as we move forward in rebounding from the economic crisis brought upon by COVID-19.