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NFIB-Maryland – 60 West St., Suite 101 – Annapolis, MD 21401 – [www.NFIB.com/Maryland](http://www.NFIB.com/Maryland)

TO: Senate Finance Committee

FROM: NFIB – Maryland

DATE: February 9, 2021

RE: **SUPPORT SENATE BILL 64** – Unemployment Insurance – Earned Rating Record – Waiver of Benefit Charges Due to COVID-19

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 supports Senate Bill 64 – legislation allowing the Secretary of Labor to waive the charge(s) of benefits against the earned rating record of an employer for the purpose of calculating unemployment insurance taxes.

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.

The important difference between then and now is the reason for such drops. At the beginning of the COVID-19 pandemic, many small businesses were forced to close their doors in the interest of public health. As a result, they were also forced to lay off or furlough employees.

Senate Bill 64 will ensure employers will not be held responsible for the forced layoff of employees when the State ordered businesses to close their doors and reduce their capacity. Small business is starting to show signs of recovery. We must ensure future progress isn't met with a massive unemployment insurance tax bill.

For these reasons **NFIB supports SB64** and requests a favorable committee report.