



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

TO: Senate Finance Committee

FROM: NFIB – Maryland

DATE: February 9, 2021

RE: **SUPPORT SENATE BILL 214** – Unemployment Insurance – Computation of Earned Rate of Contribution – Applicable Table of Rates

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 freezing the rate at which employers pay their 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 214 will ensure small business owners who are now showing signs of recovery are not met with a massive unemployment insurance tax bill. NFIB does understand, however, the state must maintain a level of solvency that will require some flexibility allowing the rates to fluctuate. We look forward to working with the committee to find a suitable path forward.

For these reasons **NFIB supports SB214** and requests a favorable committee report.