CA'S BUDGET MUST HELP THE UNEMPLOYMENT INSURANCE FUND DEBT

- **COVID-19 Shutdowns Led to a Historic UI Fund Debt:** COVID-19 shutdowns meant more Californians than ever before claimed unemployment, causing CA's UI Fund to fall nearly $20 billion into debt – surpassing the prior record by approximately $10 billion dollars.

- **UI Fund Debt Means Higher Per-Employee Taxes Starting in 2023:** When the UI Fund is in debt, all employers in California pay increased payroll taxes on a per-employee basis, regardless of size or industry. Those taxes start at $21 per employee, and rise by $21 every year. In 2023, these taxes will be roughly $350 million statewide. However, they will *rise significantly over time,* soaring to $1 billion by 2025 and $2 billion by 2028.

- **Other States Have Helped Pay Down UI Fund Debts:** Twenty-two states have recognized the effect of COVID-19 on their UI Funds and stepped into help their business communities with the increased taxes. Examples include: Delaware, Maine, New Hampshire, Texas, and Hawaii.

- **California Should Take a 2-pronged Approach:**
  - **Immediate Tax Relief of $1 billion**: To address the immediate tax increases coming in January 2023, businesses need tax relief so that they are not disincentivized from hiring and rebuilding. It would cost California about $1 billion to cover the 2023 and 2024 calendar year tax increases for all employers. (Similar to the Legislature's proposal, but covering *all* employees.)
  - **$3 billion To Pay Down a Portion of Outstanding Debt**: The largest tax increases will hit California businesses in later years, and the state will be forced to pay interest on the outstanding principal. A direct payment now would be a good use of a one-time surplus to address costs that we know are coming in future years. (Similar to the Governor's January proposal of $3 billion over 2 years.)

$4 BILLION FOR SHORT AND LONG-TERM AID FOR CA'S UI FUND

CalChamber
California Chamber of Commerce

California Business Properties Association

Housing Contractors of California
Trade Contractors for fairness and affordability

California Restaurant Association

CMTA
California Manufacturers & Technology Association

California Farm Bureau.
Standing up for all farmers and ranchers

CalTax
Established 1926

SCLC
Southern California Leadership Council

California Craft Brewers Association
CCBA

SWCLC
Southwest California Legislative Council

Family Business Association of California

California Hotel & Lodging Association

CBIA
Celebrating 75 Years

CPSA
California Pool & Spa Association

ABC
Associated Builders and Contractors of California

The Associated General Contractors of America
AGC
Associated General Contractors (AGC)

Western Growers
Fresh produce from our families to yours

California Association of Winegrape Growers

Cal SMACNA

Wine Institute

SRBX
Sacramento Regional Builders Exchange

Flasher Barricade Assn.

California Builders Alliance

Allied Managed Care Incorporated

CALCIMA
California Construction and Industrial Materials Association

AIMS
Acclamation Insurance Management Services

NFIB

CNCDA
California New Car Dealers Association

CSSA
California Self Storage Association

WECA
Western Electrical Contractors Association, Inc.
A Chapter of Independent Electrical Contractors

Coalition of Small & Disabled Veteran Businesses

California Travel Association
Tourism's United Voice

cga
California Grocers Association

California Hospital Association

CBBD
California Beer and Beverage Distributors

PHCC of California
Plumbing-Heating-Cooling Contractors Association
Best People. Best Practices.

Orange County Business Council
The Leading Voice of Business

Inland Empire Economic Partnership

California Food Producers

California Landscape Contractors Association

LIA

California Attractions and Parks Association
CAPA

Hollywood Chamber of Commerce

Lodi Chamber of Commerce

Agricultural Council of California

California Trucking Association
We drive for a living. Safety is our priority.

Serving Chino & Chino Hills
Chino Valley Chamber of Commerce
Over 100 Years of Service
Since 1913

CFLCA
California Farm Labor Contractor Assn.

CCTA
California Cable & Telecommunications Association

Roseville Area Chamber of Commerce

Greater Riverside Chambers of Commerce

Torrance Area Chamber of Commerce

WMA

El Dorado County Chamber of Commerce

UCAN
united chamber advocacy network

Connect Folsom Chamber

Greater Conejo Valley Chamber of Commerce

NFL
Nisei Farmers League

Catalyst • Convener • Champion
Yuba-Sutter Chamber of Commerce
Est. 1900

Rancho Cordova Chamber of Commerce

Oceanside Chamber of Commerce
Advancing Oceanside

Santa Maria Valley Chamber

Murrieta/Wildomar Chamber of Commerce

San Pedro Chamber of Commerce

Elk Grove Chamber of Commerce

Greater Coachella Valley Chamber

El Dorado Hills Chamber of Commerce

Grower-Shipper Association of Central California
Since 1930

metrochamber
Sacramento Metropolitan Chamber of Commerce

California Fresh Fruit Association

California Strawberry Commission

California Citrus Mutual

Pleasanton Chamber of Commerce

California Staffing and Recruiting Association

WAPA
Western Agricultural Processors Association

CCGGA
California Cotton Ginners and Growers Association

African American Farmers of California

Farwest Equipment Dealers Association
Est. 1946

Greater Bakersfield Chamber
Building Something Better

Laguna Niguel Chamber of Commerce
We mean business