151st GENERAL ASSEMBLY
FISCAL NOTE

BILL:	**HOUSE BILL NO. 285**
SPONSOR:	**Representative Osienski**
DESCRIPTION:	**AN ACT TO AMEND TITLES 19, 29 AND 30 OF THE DELAWARE CODE RELATING TO COVID-19 RELATED UNEMPLOYMENT BENEFITS, ASSESSMENTS AND RULEMAKING AUTHORITY.**

Assumptions:

1. This bill becomes effective upon signature by the Governor.

2. This bill provides for the following:
   a. Exempts unemployment compensation benefits received in calendar year 2021 from the calculation of adjusted gross income for Delaware personal income tax.
   b. Establishes the computation of the employer assessment rate, average industry assessment rate, and construction industry assessment rate for calendar year 2022 at the same rate as 2020.
   c. Reduces the assessment rate for merit-rated employers to their lowest calculated rate for 2020, 2021, or 2022. This reduction does not apply to those employers paying the delinquent assessment rate.
   d. Sets the taxable wage base for 2022 at $14,500.

3. The Department of Finance estimates the exemption of calendar year 2021 unemployment benefits (approximately $466 million paid in 2021) from state taxation will result in a General Fund revenue loss of $18.9 million in the current fiscal year and $6.3 million in Fiscal Year 2023.

Cost:

	General Fund Revenue Loss
Fiscal Year 2022:	$18,900,000
Fiscal Year 2023:	$ 6,300,000
Fiscal Year 2024:	N/A

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