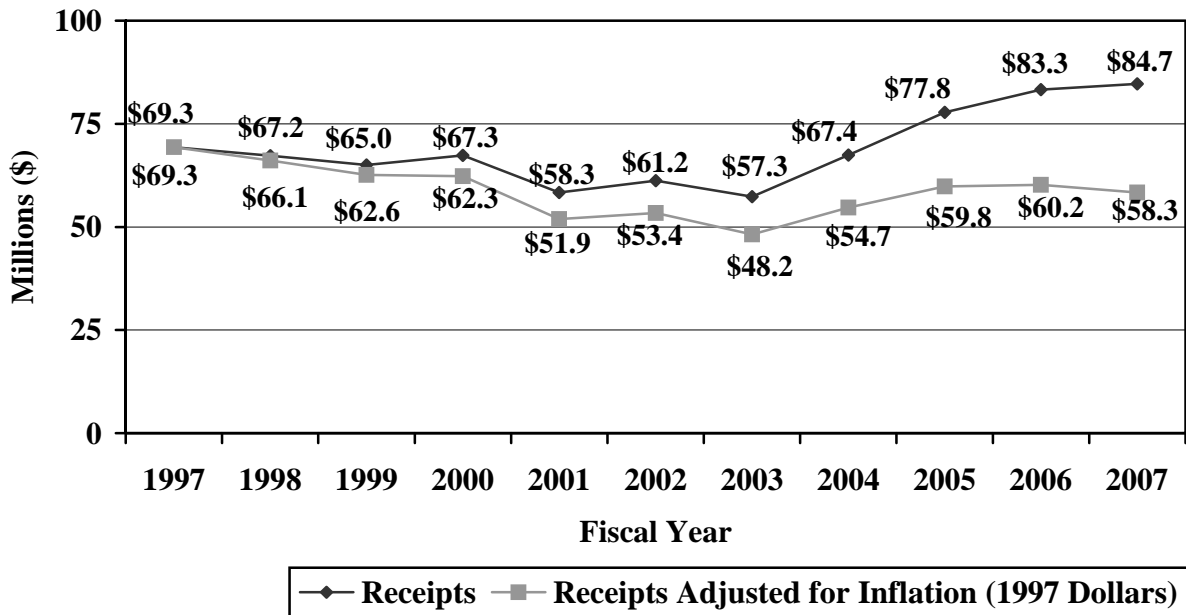


**Appendix I**  
**TAX CREDITS FOR THE CREATION OF EMPLOYMENT & QUALIFIED INVESTMENTS IN BUSINESS FACILITIES (BLUE COLLAR JOBS ACT)**

New employers, except those in North American Industry Classification (NAICS) categories 15, 16 and 17, are taxed at the average contribution rate of all Delaware employers. New employers in North American Industry Classification (NAICS) categories 236, 237, and 238 (construction industry), are taxed at the average industry assessment rate in that employer's particular NAICS category or the average construction assessment rate of NAICS categories 236, 237, and 238 whichever is the greater.

**TAX RECEIPTS**

**Unemployment Insurance Tax**



**LEGISLATIVE HISTORY**

<u>Approved Date</u>	<u>Effective Date</u>	<u>Description of Changes</u>
7/23/72	1/1/72	Increased from \$3,600 to \$4,200 the individual wage to which tax is applicable (58 Del. Laws c 573).
-	1/1/78	Extended coverage to many occupations previously unprotected (61 Del. Laws

**Appendix I**  
**TAX CREDITS FOR THE CREATION OF EMPLOYMENT & QUALIFIED**  
**INVESTMENTS IN BUSINESS FACILITIES (BLUE COLLAR JOBS ACT)**

<u>Approved</u> <u>Date</u>	<u>Effective</u> <u>Date</u>	<u>Description of Changes</u>
		c 186).
-	1/1/78	Increased from \$4,200 to \$6,000 the individual wage to which tax is applicable (61 Del. Laws c 186).
-	1/1/82	Increased from 5.0% to 7.0% the maximum basic assessment rate.
-	1/1/82	State Experience Factor allowed to float to its actual level.
-	1/1/82	Based rate of assessment for any new employer on the average industry contribution rate in that employer's Standard Industrial Classification (SIC).
-	1/1/82	Increased from \$6,000 to \$6,600 the individual wage to which tax is applicable.
-	1/1/83	Increased from \$6,600 to \$7,200 the individual wage to which tax is applicable.
-	7/1/83	Clarified exclusion of coverage of corporate officers.
-	1/1/84	Increased from \$7,200 to \$8,000 the individual wage to which tax is applicable.
6/28/85	1/1/86	Increased from \$8,000 to \$8,250 the individual wage to which tax is applicable.
6/28/85	1/1/87	Increased from \$8,250 to \$8,500 the individual wage (FUTA amount) to which tax is applicable.
6/28/85	1/1/88	Increased to 8.0% the maximum basic assessment (65 Del. Laws c 45; SB 145).
6/18/86	7/1/86	Reduced from 3 years to 2 years, the period before which a new employer can receive assessment rate based on actual experience (65 Del. Laws c 513; HB 734).
6/30/87	1/1/88	Provided a tax reduction for employers whenever the Unemployment Insurance Trust Fund balance is \$90 million or more. Provided a supplemental

**Appendix I**  
**TAX CREDITS FOR THE CREATION OF EMPLOYMENT & QUALIFIED**  
**INVESTMENTS IN BUSINESS FACILITIES (BLUE COLLAR JOBS ACT)**

<u>Approved</u> <u>Date</u>	<u>Effective</u> <u>Date</u>	<u>Description of Changes</u>
		assessment based upon the basic assessment (66 Del. Laws c 72; HB 215).
6/30/87	6/30/87	Allowed an employer to have a reduced unemployment insurance rate even if there is a break in employment. Required both rated and new employers to submit required reports and pay assessments in a timely manner or be subject to a delinquent assessment rate (66 Del. Laws c 74; HB 218).
7/8/87	7/8/87	Provided that the minimum assessment rate assigned to a new employer be not less than 1% (66 Del. Laws c 115; SB 184).
7/17/89	1/1/90	Increased the Unemployment Trust Fund balance (below which supplemental assessments are triggered) from \$90 million to \$130 million and, further, decreased supplemental assessment rates (67 Del. Laws c 119; SB 233).
7/17/89	1/1/90	Reduced supplemental rate whenever Unemployment Trust Fund balance equals or exceeds \$130 million (67 Del. Laws c 141; HB 72).
6/1/95	1/1/96	Reduced from 9.5% to 8.7% the maximum tax rate and the minimum tax rate from 1.0% to 0.8% (70 Del. Laws c 46; SB 93).
7/3/97	1/1/98	Reduced from 8.7% to 8.5%, the maximum tax rate and the minimum tax rate from 0.8% to 0.6% (71 Del. Laws c 147; HB 374).
7/1/99	1/1/00	Reduced from 8.5% to 8.3%, the maximum tax rate and the minimum tax rate from 0.6% to 0.4% (72 Del. Laws c 107; SB 199).
7/30/01	1/1/02	Reduced from 8.3% to 8.2%, the maximum tax rate and the minimum tax rate from 0.4% to 0.3% (73 Del. Laws c 209; SB 243).
6/20/02	1/1/03	Provides that the North American Classification System (NAICS), not the Standard Industrial Classification System (SIC) shall be used in the determination of the average employer assessment rate, average industry assessment rate, average construction industry rate and new employer rate (73 Del. Laws c 303; HB 425).
7/11/03	1/1/04	Set the supplemental assessment rate at 0.2%. Previously the supplemental assessment rate was dependent on the balance in the Unemployment Insurance Trust Fund (74 Del. Laws c143; HB 223).

**Appendix I**  
**TAX CREDITS FOR THE CREATION OF EMPLOYMENT & QUALIFIED INVESTMENTS IN BUSINESS FACILITIES (BLUE COLLAR JOBS ACT)**

<u>Approved Date</u>	<u>Effective Date</u>	<u>Description of Changes</u>
7/12/05	1/1/06	Brought Delaware’s Unemployment Insurance Code into compliance and conformity with the provisions of federal law – Public Law No 108-295, the “SUTA Prevention Act of 2004” by prohibiting SUTA dumping (75 Del. Laws c 177; SB 130).
6/27/06	6/27/06	Removed cap on increases in the “State Experience Factor” and expanded “State Experience Factor” range from 1 through 50 to 1 through 80. Effective range of tax rates remains the same (75 Del. Laws c 313; HB 419).
6/18/07	1/1/08	Increased from \$8,500 to \$10,500 the individual wage to which tax is applicable (76 Del. Laws c 46; HB 144).

**FILING PROCEDURES**

All persons or firms engaged in business in Delaware must report to the Delaware Division of Unemployment Insurance to determine liability for unemployment security tax, and if liable, apply for an employer account number with the Division. The report and application is made on Form U-1. All liable employers are required to submit for each calendar quarter, reports of remuneration and wages with the amount of tax due, even if the employer has had no payroll in the quarter and whether or not assessment is payable. Form U-8, the Employer's Summary Assessment Report, is used for reporting.

The reporting requirements and responsibilities of employers are detailed in the Employer's Unemployment Insurance Handbook available from the Delaware Department of Labor or on the Department's web site at <http://www.delawareworks.com>.

**PAYMENT DATES**

An Assessment and Payroll Report with remittance is due quarterly, on or before the last day of the first month following the close of the quarter.