

1 A CONCURRENT RESOLUTION urging Congress to take appropriate steps to
2 assist businesses facing increasing unemployment insurance liabilities.

3 WHEREAS, prior to the COVID-19 outbreak, Kentucky's Unemployment Insurance
4 Fund ("UI Fund") contained approximately \$619,000,000; and

5 WHEREAS, since the COVID-19 outbreak, over 1,200,000 unemployment benefits
6 claims were filed in the Commonwealth, which is more than half of Kentucky's
7 workforce; and

8 WHEREAS, on July 1, 2020, the federal government approved Kentucky to receive
9 a Federal Unemployment Insurance Title XII advance ("Federal UI loan") in the amount
10 of \$865,000,000; and

11 WHEREAS, as of the end of 2020, Kentucky's UI Fund will have a projected deficit
12 of \$620,000,000; and

13 WHEREAS, interest on Kentucky's Federal UI loan began to accrue on January 1,
14 2021; and

15 WHEREAS, in the event of an outstanding balance on Kentucky's Federal UI loan
16 after two years, employers in the Commonwealth will be subject to a Federal
17 Unemployment Insurance ("FUTA") tax credit reduction; and a benefit cost rate penalty if
18 the balance is outstanding after five years; and

19 WHEREAS, the effect of a FUTA tax credit reduction and benefit cost rate penalty
20 is an increase in the federal unemployment tax to be paid by Kentucky employers; and

21 WHEREAS, given Kentucky's current UI Fund balance, the aggressive repayment
22 schedule already adopted to replenish the UI fund, and the ongoing challenges of COVID-
23 19, employers in the Commonwealth face a tremendous burden; and

24 WHEREAS, the businesses of Kentucky that stepped up to limit the spread of the
25 virus and made tremendous sacrifices deserve relief from unemployment insurance cost
26 increases;

27 NOW, THEREFORE,

1 *Be it resolved by the House of Representatives of the General Assembly of the*
2 *Commonwealth of Kentucky, the Senate concurring therein:*

3 ➔Section 1. The Kentucky General Assembly urges the United States Congress to
4 forgive Kentucky's outstanding Federal UI loan balance.

5 ➔Section 2. If the loans are not forgiven, the General Assembly asks that
6 Congress indefinitely suspend interest accrual on Kentucky's Federal UI loan, freeze the
7 state's unemployment tax credit rate as applied against the federal unemployment tax at
8 the end of the year, and suspend the FUTA credit reduction and benefit cost rate penalty.

9 ➔Section 3. Upon passage of this Resolution by the General Assembly, the Clerk
10 of the House of Representatives shall send a copy of this Resolution to:

11 (1) Kentucky's United States Senators, Senator Mitch McConnell and Senator Paul
12 Rand;

13 (2) All members of the Kentucky Congressional Delegation;

14 (3) The Clerk of the United States House of Representatives; and

15 (4) The Clerk of the United States Senate.