

**State Impact**

This bill makes State Unemployment Tax Avoidance (SUTA) dumping illegal and conforms with federal law. Enforcement will cost \$353,000 from the federal Unemployment Operating Grant, but is expected to generate about \$10,000,000 that will flow to Unemployment Insurance Contributions.

|                  | <u>FY 2006</u><br><u>Approp.</u> | <u>FY 2007</u><br><u>Approp.</u> | <u>FY 2006</u><br><u>Revenue</u> | <u>FY 2007</u><br><u>Revenue</u> |
|------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Restricted Funds | \$353,000                        | \$257,000                        | \$10,000,000                     | \$3,000,000                      |
| <b>TOTAL</b>     | <b>\$353,000</b>                 | <b>\$257,000</b>                 | <b>\$10,000,000</b>              | <b>\$3,000,000</b>               |

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**Individual and Business Impact**

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**Office of the Legislative Fiscal Analyst**