

AMERICAN PAYROLL ASSOCIATION

January 28, 2022

The Honorable Alec Garnett
House Speaker
State of Colorado
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The Honorable Leroy Garcia
Senate President
State of Colorado
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The Honorable Leslie Herod
Chair, House Appropriations Committee
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The Honorable Chris Hansen
Chair, Senate Appropriations Committee
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The Honorable Julie McCluskie
Vice Chair, House Appropriations
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The Honorable Dominick Moreno
Vice Chair, Senate Appropriations
Committee
State of Colorado
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Dear Senators and Representatives:

The American Payroll Association (APA)¹ urges you to support provisions in Governor Jared Polis' budget proposal to deposit \$500 million in one-time state funds and \$100 million in federal funds into the Unemployment Insurance Trust Fund (UITF). The UITF, which was fully depleted as a result of high unemployment numbers during the COVID-19 pandemic, is set to be replenished through increased unemployment insurance premium surcharges paid by employers with an estimated \$5.3 billion in additional payments between 2023 and 2027, according to the Common Sense Institute.²

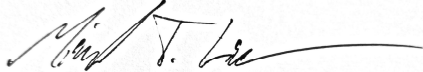
¹ Established in 1982, APA is a not-for-profit association serving the interests of more than 20,000 payroll professionals nationwide. APA's primary mission is to educate its members and the payroll industry about best practices associated with paying America's workers while complying with applicable federal, state, and local laws and regulations. APA members are directly responsible for calculating wages and unemployment taxes for their employers.

² "Impacts of Saving Colorado Businesses on the Current \$5.3 Billion Tax Bill: Analysis of the Governor's Budget Request to Contribute \$600 Million to the State's Unemployment Insurance Trust Fund," Common Sense Institute, Jan. 18, 2022.

For payroll professionals, ensuring that Colorado maintains a healthy UITF without overburdening employers and employees is extremely important. This is especially true because the COVID-19 pandemic caused a heavy depletion in unemployment insurance funds. Using available one-time state funds combined with federal funds from the American Rescue Plan Act is an innovative way for Colorado to reduce the stress on employers in the state as well as their payroll departments.

Again, the APA recommends that the legislature pass budget measures to shore up Colorado's UITF. Thank you for the opportunity to comment on this budget provision and unemployment taxes.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Linehan", with a long horizontal flourish extending to the right.

Mike Linehan
Assistant Manager, Government Relations