



New York Farm Bureau
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MEMORANDUM OF SUPPORT

Senate Bill 6791-A (Senator Kaplan)

AN ACT TO AMEND THE LABOR LAW, IN RELATION TO EMPLOYER CONTRIBUTIONS TO THE UNEMPLOYMENT INSURANCE FUND AND THE UNEMPLOYMENT INSURANCE MAXIMUM BENEFIT RATE

Date: 1/13/2022

New York Farm Bureau, the state's largest agricultural advocacy organization, would like to express its support for this legislation. This legislation would reduce employers' unemployment insurance (UI) tax rate for the 2022-2023 fiscal year. The unemployment insurance system is funded by employers, whereby monies are placed in a federally held trust fund. When unemployment rates rise, as they have exponentially over the course of the pandemic, employers are forced to pay more unemployment insurance taxes. A hike in UI taxes is crushing for businesses across New York State that are already vulnerable due to other pandemic pressures and unanticipated expenses. This legislation would provide significant relief to businesses, specifically small businesses, who have smaller operating margins. Specifically, this legislation would reduce employers UI taxes to \$250 per employee. Furthermore, this legislation would set the maximum unemployment insurance benefits to 40% of the average weekly wage until October 2022, and an increase to 42% in 2023.

New York depends on agricultural businesses to not only feed people in our state, but to provide a significant source of economic revenue. Approximately 98% of farms in New York are family-owned farms who operate with incredibly high costs of production and very little control of their products prices. One of the highest operating costs on a farm are labor costs, which are calculated into a farms UI tax rate. These operating costs were exacerbated over the past two years due to the pandemic and the shortage of labor. Providing a tax relief from the unemployment insurance tax rate would allow farmers to use that saved money towards other past due expenses.

For these reasons, New York Farm Bureau respectfully requests your support of this legislation.