

## Department of Planning and Budget 2008 Fiscal Impact Statement

**1. Bill Number:** HB547

House of Origin      X      Introduced                  Substitute                  Engrossed  
Second House                 In Committee              Substitute                  Enrolled

**2. Patron:**        Nixon

**3. Committee:** Commerce and Labor

**4. Title:**            **Unemployment compensation; minimum earnings; maximum weekly benefit**

**5. Summary:** The bill increases the wages an employee must have earned in the two highest earnings quarters of his base period in order to be eligible for unemployment benefits from \$2,700 to \$3,000. The measure also increases the maximum weekly unemployment compensation benefit from \$363 to \$378 for claims effective on or after July 6, 2008.

**6. Fiscal Impact Estimates:** Preliminary.

**6a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$7.4 million	unemployment insurance trust fund
2010	\$8.0 million	unemployment insurance trust fund
2011	\$7.7 million	unemployment insurance trust fund
2012	\$7.9 million	unemployment insurance trust fund
2013	\$8.3 million	unemployment insurance trust fund
2014	\$8.6 million	unemployment insurance trust fund

**6b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2009	\$0	unemployment insurance trust fund
2010	\$2.2 million	unemployment insurance trust fund
2011	\$5.1 million	unemployment insurance trust fund
2012	\$7.3 million	unemployment insurance trust fund
2013	\$9.7 million	unemployment insurance trust fund
2014	\$9.7 million	unemployment insurance trust fund

**7. Budget Amendment Necessary:** No, the nongeneral fund appropriation may be adjusted administratively as needed.

**8. Fiscal Implications:** The Virginia Employment Commission estimates that the bill will result in a reduction in general fund revenue of \$25,200 annually from 2010 to 2017 because of additional deductions on corporate income tax returns. For the period of 2010 to 2017, employer unemployment taxes will increase by an average of \$2.12 per employee annually as a result of the legislation.

**9. Specific Agency or Political Subdivisions Affected:** Virginia Employment Commission.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.

**Date:** 1/16/2008 dpbkbs

**Document:** G:\08 FIS\VEC\HB547.doc

cc: Secretary of Commerce and Trade