

# TITLE 72

## WORKER'S COMPENSATION AND RELATED LAWS -- INDUSTRIAL COMMISSION

### CHAPTER 13

#### EMPLOYMENT SECURITY LAW

72-1350.TAXABLE WAGE BASE AND TAXABLE WAGE RATES. (1) All remuneration for personal services as defined in section [72-1328](#), Idaho Code, equal to the average annual wage in covered employment for the penultimate calendar year, rounded to the nearest multiple of one hundred dollars (\$100) or the amount of taxable wage base specified in the federal unemployment tax act, whichever is higher, shall be the taxable wage base for purposes of this chapter. For the purpose of determining the taxable wage base, under this chapter, the average annual wage is computed by dividing that calendar year's total wages in covered employment, excluding State government and cost reimbursement employers, by the average number of workers in covered employment for that calendar year as derived from data reported to the department by covered employers.

(2) Prior to December 31 of each year, the director shall determine the taxable wage rates for the following calendar year for all covered employers, except cost reimbursement employers, in accordance with this section. If the desired fund size multiplier set forth in subsection (3) of this section is revised with an effective date that is prior to January 1 of the following year, the director shall issue adjusted taxable wage rates as soon as practicable and in accordance with the revised multiplier's effective date. Employers shall receive a credit against future taxes under this act for any overpayments resulting from tax payments made before the amended taxable wage rates are adjusted.

(3) An average high-cost ratio shall be determined by calculating the average of the three (3) highest benefit cost rates in the twenty (20) year period ending with the preceding year. For the purposes of this section, the "benefit cost rate" is the total annual benefits paid, including the state's share of extended benefits but excluding the federal share of extended benefits and cost-reimbursable benefits, divided by the total annual covered wages excluding cost-reimbursable wages. The resulting average high-cost ratio is multiplied by the desired fund size multiplier, and the result, for the purposes of this section, is referred to as the "average high-cost multiple" (AHCM). The desired fund size multiplier shall decrease from one and three-tenths (1.3) to one and two-tenths (1.2) on and after January 1, 2024.

(4) The fund balance ratio shall be determined by dividing the actual balance of the employment security fund, section [72-1346](#), Idaho Code, and the reserve fund, section [72-1347A](#), Idaho Code, on September 30 of the current calendar year by the wages paid by all covered employers in Idaho, except cost-reimbursement employers, in the preceding calendar year.

(5) The base tax rate shall be determined as follows:

(a) Divide the fund balance ratio by the AHCM;

(b) Subtract the quotient obtained from the calculation in paragraph (a) of this subsection from the number two (2);

(c) Multiply the remainder obtained from the calculation in paragraph (b) of this subsection by two and one-tenth percent (2.1%). The product obtained from this calculation shall equal the base tax rate, provided that the base tax rate shall not be less than six-tenths percent

(0.6%) and shall not exceed three and four-tenths percent (3.4%).

(6) The base tax rate calculated in accordance with subsection (5) of this section shall be used to determine the taxable wage rate effective the following calendar year for all covered employers except cost-reimbursement employers as provided in subsections (7) and (8) of this section, except that the base tax rate for calendar years 2022 and 2023 shall be equal to the base tax rate calculated for calendar year 2021.

(7) Table of rate classes, tax factors and minimum and maximum taxable wage rates:

Rate Class	Cumulative Taxable Payroll Limits		Tax Factor	Eligible Employers	
	More Than (% of Taxable Payroll)	Equal to or Less Than (% of Taxable Payroll)		Minimum Taxable Wage Rate	Maximum Taxable Wage Rate
1	--	12	0.2857	0.180%	0.960%
2	12	24	0.4762	0.300%	1.600%
3	24	36	0.5714	0.360%	1.920%
4	36	48	0.6667	0.420%	2.240%
5	48	60	0.7619	0.480%	2.560%
6	60	72	0.8571	0.540%	2.880%
7	72	--	0.9524	0.600%	3.200%

  

Standard-Rated Employers		
Tax Factor	Minimum Taxable Wage Rate	Maximum Taxable Wage Rate
1.000	1.000%	3.4%

Rate Class	Cumulative Taxable Payroll Limits		Tax Factor	Deficit Employers	
	More Than (% of Taxable Payroll)	Equal to or Less Than (% of Taxable Payroll)		Minimum Taxable Wage Rate	Maximum Taxable Wage Rate
-1	--	30	1.7143	1.080%	4.800%
-2	30	50	1.9048	1.200%	5.200%
-3	50	65	2.0952	1.320%	5.600%
-4	65	80	2.2857	1.440%	6.000%
-5	80	95	2.6667	1.680%	6.400%
-6	95	--	2.6667	5.400%	6.800%

(8) Each covered employer, except cost-reimbursement employers, will be assigned a taxable wage rate and a contribution rate as follows:

(a) Each employer, except standard-rated employers, will be assigned to one (1) of the rate classes for eligible and deficit employers provided in subsection (7) of this section based on the employer's experience as determined under the provisions of sections [72-1319](#), [72-1319A](#), [72-1351](#) and [72-1351A](#), Idaho Code.

(b) For each rate class provided in subsection (7) of this section, the department will multiply the base tax rate determined in accordance with subsection (5) of this section by the tax factor listed for that rate class in the table provided in subsection (7) of this section. The product obtained from this calculation shall be the taxable wage rate for employers assigned to that rate class, provided that the taxable wage rate shall not be less than the minimum taxable wage rate assigned to that rate class and shall not exceed the maximum taxable wage rate assigned to that rate class in the table provided in subsection (7) of this section.

(c) For standard-rated employers, the department will multiply the base tax rate determined in accordance with subsection (5) of this section by the tax factor listed for standard-rated employers in the table provided in subsection (7) of this section. The product obtained from this calculation shall be the taxable wage rate for standard-rated employers, provided that the taxable wage rate shall not be less than the minimum taxable wage rate assigned to standard-rated employers and shall not exceed the maximum taxable wage rate assigned to standard-rated employers in the table provided in subsection (7) of this section.

(d) Deficit employers who have been assigned a taxable wage rate from deficit rate class 6 will be assigned contribution rates equal to their taxable wage rate.

(e) All other eligible, standard-rated, and deficit employers will be assigned contribution rates equal to ninety-seven percent (97%) of their taxable wage rate. Provided however, that for each calendar year a reserve tax is imposed pursuant to section [72-1347A](#), Idaho Code, the contribution rates for employers assigned contribution rates pursuant to this paragraph shall be eighty percent (80%) of their taxable wage rate.

(9) Each employer shall be notified of his taxable wage rate as determined for any calendar year pursuant to this section and section [72-1351](#), Idaho Code. Such determination shall become conclusive and binding upon the employer, unless within fourteen (14) days after notice as provided in section [72-1368](#)(5), Idaho Code, the employer files an application for redetermination, setting forth his reasons therefor. Reconsideration shall be limited to transactions occurring subsequent to any previous determination that has become final. The employer shall be promptly notified of the redetermination, which shall become final unless an appeal is filed within fourteen (14) days after notice as provided in section [72-1368](#)(5), Idaho Code. Proceedings on the appeal shall be in accordance with the provisions of section [72-1361](#), Idaho Code.

#### 09.01.30.010.02. Average Annual Wage.

For the purpose of determining the taxable wage base, under Section 72-1350(1), Idaho Code, the average annual wage is computed by dividing that calendar year's total wages in covered employment, excluding State government and cost reimbursement employers, by the average number of workers in covered employment for that calendar year as derived from data reported to the Department of Labor by covered employers.