



FUBA
FLORIDA UNITED BUSINESSES ASSOCIATION

ISSUES

OUR BUSINESS IS SMALL BUSINESS

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FLORIDA REEMPLOYMENT TAX RATES FOR 2020 RELEASED

Florida employers are required to pay reemployment tax (which used to be called unemployment tax) to the State of Florida on behalf of their employees. This tax is paid quarterly to the Florida Department of Revenue using the form called RT-6 (the *Employers Quarterly Report*).

An employer's reemployment tax rate can be as low as .1% or as high as 5.4%. It all depends on how many of the employer's former employees have filed for reemployment benefits during the last 3 years. An employer with no employee turnover in the last 3 years will most likely pay the minimum tax rate. Employers who have had to terminate several employees during the past 3 years will pay closer to the maximum tax rate. Your company's tax rate could be somewhere between the minimum and the maximum rate depending on how many employees you have let go in the last 3 years.

Reemployment taxes are assessed only on the first \$7,000 of wages you pay each employee. Any wages you pay an employee over \$7,000 are not subject to state reemployment tax.

For 2020, employers who are at the minimum reemployment tax rate of .1% will pay \$7.00 per employee per year in reemployment tax. Employers who are at the maximum rate of 5.4% will pay \$378 in tax for each of their employees for the year. Employers whose tax

rate is between the minimum and maximum rate will pay a per-employee tax somewhere between these two. Keep in mind, this is the amount you pay per employee for the entire year since you only pay tax on the first \$7,000 of an employee's wages.

You should have already received a notice from the Florida Department of Revenue explaining your company's reemployment tax rate for calendar year 2020. This is the tax rate you will apply to your employees' wages starting January 1, 2020. Your first reemployment tax return (RT-6) for calendar year 2020 must be filed with the Florida Department of Revenue by April 30, 2020 and will be for wages you paid employees in the first quarter of 2020 (January, February, and March).

FREE WEBINAR FOR BUSINESSES ON FLORIDA SALES TAX

The Florida Department of Revenue is hosting a free webinar for businesses who want to learn the basics of Florida sales tax, including:

- What transactions are taxable
- Sales that are exempt from tax
- Annual resale certificates
- The sales tax bracket system
- Discretionary sales surtax
- Filing requirements

The webinar is February 27, 2020 at 2:00 pm EST. To register, go to:

<https://www.score.org/event/florida-sales-and-use-tax---helping-you-succeed>.

ATTENTION CORPORATIONS AND LLC'S: BEWARE OF SCAM EMAIL ABOUT YOUR ANNUAL REPORT

Florida law requires all Florida corporations and limited liability companies (LLC's) to file an Annual Report every year with the Florida Division of Corporations by May 1st.

(The only exception is for corporations and LLC's that were just formed in 2020 – those businesses will file their first Annual Report in 2021.)

The Annual Report is the way your company tells the State of Florida if there have been any changes to your company's information. But you must file an Annual Report even if no changes need to be made to your company's information.

Florida businesses are being sent emails from the "Reminder Department" of companies with names like Florida StartUp Co. or Florida Document Filings Co. regarding the 2020 Annual Report. This email is not legitimate and is not in any way affiliated with the State of Florida. (For an example of the scam email, please visit our website at **FUBA.org** under the blue "Alerts" button.

The only way for a company to file their Annual Report is through the Florida Division of Corporation's official state website at **sunbiz.org**. Sunbiz is the official corporate registry for the State of Florida. If a company clicks on the link in the scam email, it does not take them to **sunbiz.org**. Plus, filing your Annual Report through this scam email is more expensive than filing it on **sunbiz.org**.

The Division of Corporations will send you a reminder to file your Annual Report. The official email will be from **FL_DOS_Corporations@dos.state.fl.us** and will

contain a link to **sunbiz.org**.

Please call our offices at 800-262-4483 and ask for Karen or Lance if you have any questions about your company's Annual Report.

LEGISLATURE CONSIDERING E-VERIFY REQUIREMENT FOR EMPLOYERS

The Florida Legislature is currently considering whether to require all Florida employers to use the federal E-Verify system to make sure that their employees are legally allowed to work in the United States.

Florida Governor DeSantis has made it a priority to mandate the use of E-Verify, and Senator Tom Lee has filed Senate Bill 664 which would make the use of E-Verify a requirement starting January 1, 2021. The bill would make it illegal for a Florida business to hire an authorized alien who does not have the proper documentation to work legally in this country. If this bill becomes law, private employers of all sizes who refuse to use E-Verify would be subject to penalties as well as suspension of any permits or registrations that they hold.

An alternative proposal has also been filed. Senate Bill 1882 and House Bill 1265 would require only those private employers who do work for governments or schools to use E-Verify starting January 1, 2021. The bills also require all private employers to either use E-Verify on new employees **OR** collect and retain other documents to prove the identity of prospective employees.

Private employers would be required to retain copies of the documents for at least 3 years after the initial date of employment. Failure to comply with these new state requirements would result in possible penalties for employers.

It is still early in the Legislative Session and it's not clear if any of these E-Verify proposals will pass. FUBA will keep you updated on this important issue for businesses.