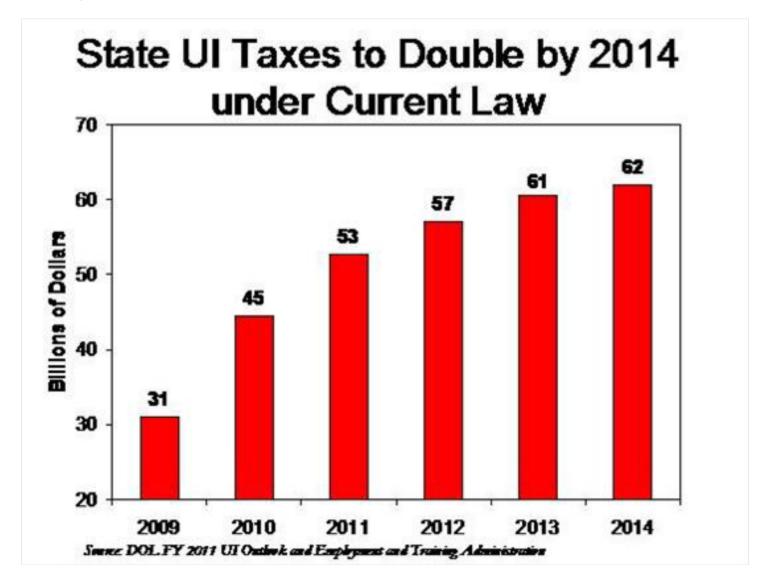
## **CPA**Practice **Advisor**

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employers in many states a way to reduce their tax rates in 2014. It's called a "voluntary contribution."

Nov. 11, 2013



Last month, I talked about "credit reduction states," where employers face increased FUTA tax rates on form 940 of their federal unemployment annual tax return. As I said in last month's blog, there's not much you can do to reduce your FUTA rate.

This month, we'll look at state unemployment tax, or SUTA. Unlike FUTA, SUTA

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For example, in California, employers can use voluntary contributions to reduce their SUTA rate by up to three rate steps (a rate step is equal to a fraction of one percent).

Here's the list of states that allow voluntary contributions, along with each state's contribution deadline:

- Arizona January 31
- Arkansas March 31
- California March 31
- Colorado March 15
- Georgia 30 days after notice
- Indiana 30 days after notice
- Kansas 30 days after notice
- Kentucky 20 days after notice
- Louisiana 30 days after notice
- Maine 30 days after notice
- Massachusetts 30 days after notice
- Michigan 30 days after notice
- Minnesota 120 calendar days after January 1
- Missouri January 15
- Nebraska January 10
- New Jersey 30 days after notice
- New York March 31
- North Carolina 30 days after notice
- North Dakota April 30
- Ohio December 31
- Pennsylvania 30 days after notice

• South Dakota – March 27

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If you want to determine whether a voluntary contribution could reduce your clients' SUTA rates next year, it's a good idea to contact your state's unemployment office. Ask them for the calculation for your state, and for each client's individual situation. It just might save your clients some money next year. Be advised, though, that most voluntary contributions are non-refundable. So you'll want to be absolutely sure that a contribution will reduce next year's rate before you make it.

James Paille is the director of operations for myPay Solutions at Thomson Reuters, and has been an executive manager in the payroll service industry for over 30 years, specializing in managing multi-location offices.

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