



Committee On Finance

Max Baucus, Ranking Member

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**Baucus Applauds Passage of the
State Unemployment Tax Avoidance Prevention Act**
Senators Act to Protect Unemployment Trust Funds

(WASHINGTON, D.C.) U.S. Senator Max Baucus, Ranking Member of the Senate Finance Committee, praised passage of the State Unemployment Tax Avoidance (SUTA) Prevention Act, which addresses the practice of employers that attempt to avoid paying their fair share of state unemployment tax.

“We’ve taken an important step in protecting the integrity of the nation’s unemployment system by passing this legislation,” Baucus said. “It is unacceptable that companies are using dishonest tactics to the detriment of the unemployment trust funds that are supposed to be there when workers need them. This legislation will help protect workers and employers who play fair.”

Some companies have created “shell companies” or purchase existing companies in an effort to lower their unemployment taxes by taking advantage of the lower tax rates on companies with no history of unemployment. This dishonest practice hurts workers by depleting unemployment trust funds and unfairly re-distributing the tax burden to honest companies. This legislation would prevent companies from participating in this unethical scheme and would appropriately penalize professionals who encourage them to take advantage of this loophole.

Baucus described the SUTA Prevention Act as “a critical action in preventing companies from evading unemployment tax that also preserves crucial unemployment funds for workers.”

Baucus joined a broad group of Senators cosponsoring the bill, including Sens. Don Nickles (R-Okla), Ted Kennedy (D-Mass), Chuck Grassley (R-Iowa), John Ensign (R-Nev), Carl Levin (D-Mich), Judd Gregg (R-NH), and Patty Murray (D-Wash).

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