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**Senate Freezes Unemployment Insurance Rate to Relieve Small Business Burden and Boost New Jobs**

BOSTON – In an effort to relieve economic burdens on small businesses and create new jobs, Senator Michael O. Moore (D-Millbury) on Thursday voted to freeze the Unemployment Insurance rate, which was scheduled to increase by nearly \$300 per employee. Without the freeze, the average employer would see the per-employee payment jump from \$584 to \$852.

“This issue is of utmost importance to small businesses, who are already feeling the squeeze of tough economic times,” said Sen. Moore. “I wrote to the Governor recently concerning this issue, to make sure action was taken to reduce the burden on small businesses, versus exacerbate it.”

Some additional Senate efforts include legislation to streamline the state’s array of business development agencies, many of which overlap duties and lack coordinated efforts. The Senate also supports certain business tax incentives and a cap on small business health insurance rates to provide further relief and encourage short-term growth. The Legislature has also reduced the corporate excise tax, dropping this year to 8.75 percent and to 8 percent by January 2012.

The Senate bill to freeze the Unemployment Insurance rate would hold steady the current rate schedule for Unemployment Insurance assessments on employers for calendar year 2010. In previous recessions the state has frozen the assessment schedule to relieve the burden on small businesses in tough economic times. The years 2008 and 2003 are the most recent examples.

In recognition of the almost unprecedented strain on state unemployment insurance systems, the federal government will charge no interest on borrowing in calendar year 2010.

The bill now goes back to the House of Representatives for further action.

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