

U.S. Department of Labor

Employment and Training Administration
200 Constitution Avenue, N.W.
Washington, D.C. 20210



NOV 14 2011

Ronald L. Marino
Assistant Commissioner
Income Security
New Jersey Department of Labor
and Workforce Development
P. O. Box 058
John Fitch Plaza
Trenton, NJ 08625-0058

Dear Mr. Marino:

This is to notify you of the status of your state with regard to the tax credit provisions of section 3302 of the Federal Unemployment Tax Act (FUTA).

Sections 3302(c)(2) and 3302(d)(3) provide that employers in states that have an outstanding balance of advances under Title XII of the Social Security Act at the beginning of January 1 of two or more consecutive years are subject to a reduction in credits otherwise available against the FUTA tax, if all advances are not repaid before November 10 of the taxable year.

New Jersey had a balance of advances at the beginning of January 1 of 2010 and 2011, and did not repay all advances by November 10, 2011. New Jersey does not meet the provisions of section 3302(g). Therefore, employers in New Jersey are subject to a FUTA credit reduction of 0.3% of taxable wages for 2011.

The Internal Revenue Service has been notified of this determination. Employers will not be notified, but will see the credit reduction on their 2011 Form 940.

If you have any questions, please contact me at 202-693-3029 or gilbert.gay@dol.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Gay Gilbert".

Gay Gilbert
Administrator
Office of Unemployment Insurance

Cc: Rod Anderson, Region 1