

---

### Reference: FUTA – Michigan & South Carolina

---

Most of the time - and for most states - the FUTA rate used for payroll calculations is 0.8%. This is because the federal rate is 6.2% but a credit for contributions to state funds of 5.4% is subtracted, resulting in a net of 0.8%. Currently an unusual situation has occurred in Michigan. Because of the high rate of unemployment which has existed in Michigan for some time now:

- *The FUTA rate in 2010 for Michigan employers is 1.4%.*
- This means that, instead of the “0.8” that is shown, Michigan employers will use a “1.4” in the FUTA section of Table 1 in this document.

South Carolina has also recently suffered from a high rate of unemployment and has outstanding federal loan balances related to FUTA so there has been some discussion that the FUTA rate in SC might also be increased. However, according to our research, the SC FUTA rate will remain at 0.8% for 2010.

#### References:

- Michigan Links:

[http://www.michigan.gov/documents/uia/126\\_-\\_ChangesTo\\_FUTA\\_280302\\_7.pdf](http://www.michigan.gov/documents/uia/126_-_ChangesTo_FUTA_280302_7.pdf)

<http://www.rightmichigan.com/story/2009/6/30/19213/6578>

<http://www.irs.gov/pub/irs-pdf/i940.pdf>

- South Carolina Links:

[http://www.godwincpa.com/tax\\_updates\\_2009.html](http://www.godwincpa.com/tax_updates_2009.html)

---

### Comments from Users

---

1-20-09

Everything worked like champ (i.e., payroll) and I'm grateful.

Maryland, USA - Richard

1-8-09

Dear Capitol Data Accounting: Thanks for helping us out of a jam! Our version of Peachtree (2006) is not "supported" anymore and I've been getting daily phone calls, emails and snail mail from Sage trying to get me to update to Peachtree 2009. I knew we would be "in trouble" with the new year and P/R taxes, but I also knew we could update the tax tables manually. I've just been