

## **Message from the Governor**

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I veto Senate Bill 107, which relates to charges to base period employer's unemployment insurance accounts, when the former employee was a part-time employee.

My administration has recently been notified by the United States Department of Labor that Senate Bill 107 would place the Kansas unemployment insurance program out of conformity with federal law. The Federal Unemployment Tax Act, (FUTA), and the State's unemployment insurance act work conjunctively to allow Kansas employers substantial credits against the FUTA tax.

If the state's program is out of conformity, Kansas employers are in danger of losing these valuable tax credits. This could mean an additional \$405.8 million in federal taxes and \$42.9 million in state taxes for Kansas employers this year. Therefore, to protect Kansas employers, I must veto Senate Bill 107.

I recommend that the issues outlined in Senate Bill 107 be brought before the Employment Security Advisory Council for review and recommendation to ensure that any future changes in this area of the state's unemployment insurance act are in conformity with federal statutes.

Signed: Kathleen Sebelius, Governor

Dated: April 8, 2005