



DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

Important Update to Arizona's Unemployment Insurance Tax Program

Effective January 1, 2023: Arizona's Unemployment Taxable Wage Base Will Increase to \$8,000

On June 30, 2021, Governor Doug Ducey signed Senate Bill 1828, which increased the maximum taxable wages from \$7,000 to \$8,000 for Unemployment Insurance (UI) compensation purposes, effective calendar year 2023. Senate Bill 1828 has already led to significant changes for claimants who receive benefits, including a reduction of the number of weeks for which claimants are eligible for benefits. This legislation also made other changes to the UI program, including additional program integrity requirements.

In Arizona, you are currently required by law to pay UI taxes on the first \$7,000 in gross wages paid to each of your employees in a calendar year. **Beginning January 1, 2023, you will be required to pay UI taxes on the first \$8,000 in gross wages paid to each of your employees.**

The increase will be in effect when you file your quarterly Unemployment Tax and Wage Report for the quarter ending March 31, 2023, for wages paid during January, February, and March of 2023.

IMPORTANT: The increase to the taxable wage base **does not** impact wages paid to your employees during calendar year **2022**.

For additional information, including general information about Arizona's UI Tax program, please visit www.azuitax.gov or call (602) 771-6606.

Equal Opportunity Employer / Program • Auxiliary aids and services are available upon request to individuals with disabilities • To request this document in alternative format or for further information about this policy, contact the UI Tax Office at 602-771-6606; TTY/TDD Services: 7-1-1