

IRM PROCEDURAL UPDATE

DATE: 01/02/2026

NUMBER: ts-21-0126-0034

SUBJECT: TAS 911/e-911 Changes; 2025 Credit Reduction State Data; 2025 State Wage Base for Unemployment

AFFECTED IRM(s)/SUBSECTION(s): 21.7.3

CHANGE(s):

IRM 21.7.3.2 New para 3 and 4 providing Taxpayer Advocate Service (TAS) guidelines and information on preparation of Form 911/e-911.

(1) The Federal Unemployment Tax Act (FUTA) provides for cooperation between states and the federal government in the establishment and administration of unemployment insurance. Unemployment insurance is a system which provides benefits for unemployed workers. Unemployment taxes, which are paid to federal and state governments by covered employers, subsidize state administered unemployment insurance programs and create a fund that is used to pay unemployment benefits to unemployed workers.

(2) This IRM subsection contains instructions for adjusting Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return, and Form 940 (SP) , Employer's Annual Federal Unemployment (FUTA) Tax Return (Spanish Version), tax accounts and requesting manual credit certification from state agencies. Only the first \$7,000 paid to each employee is subject to FUTA tax. The FUTA tax applies to payments such as:

- Salaries
- Wages
- Commissions
- Fees
- Bonuses
- Vacation allowances
- Amounts paid to temporary or part-time employees
- Value of goods, lodging, food, clothing, and other non-cash fringe benefits if not excludable per IRC 3306 (b)(13), IRC 3306 (b)(14), or IRC 3306 (b)(16)

Note: Form 940 (SP) replaced Form 940 (PR) effective for the tax period beginning January 1, 2023. Form 940 (PR) is no longer available to file for tax periods beginning after December 31, 2022.

(3) The Taxpayer Advocate Service (TAS) provides assistance to taxpayers who are experiencing economic harm, who are seeking help in resolving tax problems the

IRS has not resolved through normal channels or believe that an IRS system or procedure is not working as it should.

(4) See IRM 21.1.3.18, *Taxpayer Advocate Service (TAS) Guidelines*, for handling requirements when a taxpayer is experiencing a hardship, an unusual delay in resolving their account issue, or specifically requests TAS assistance AND you cannot resolve the taxpayer's issue within 24 hours (i.e., "same day").

Caution: As of January 5, 2026, Accounts Management (AM) no longer prepares Form 911 or Form e-911 for taxpayers meeting TAS criteria or otherwise requesting TAS assistance.

IRM 21.7.3.4.10(2) Updated table to include the 2025 credit reduction states.

(2) The Department of Labor evaluates the credit reduction status of each state and jurisdiction. The credit reduction status for each state and jurisdiction is released in November prior to the Form 940 filing due date. The following table provides the current credit reduction percentages, which includes any applicable BCR.

State/Jurisdiction	Abrv	2022	2023	2024	2025
California	CA	.003	.006	.009	.012
Connecticut	CT	.003	N/A	N/A	N/A
Illinois	IL	.003	N/A	N/A	N/A
New York	NY	.003	.006	.009	N/A
Virgin Islands	VI	.036	.039	.042	.045

Note: See Exhibit 3.12.154-15, Credit Reduction States and Rates, or archived copies of IRM 21.7.3 for credit reduction states prior to 2021.

Exhibit 21.7.3-1 Updated exhibit to include the 2025 state unemployment insurance taxable wage base.

State	2025	2024	2023
Alabama	8,000	8,000	8,000
Alaska	51,700	49,700	47,100
Arizona	8,000	8,000	8,000
Arkansas	7,000	7,000	8,000
California	7,000	7,000	7,000
Colorado	27,200	23,800	20,400
Connecticut	26,100	25,000	15,000
Delaware	12,500	10,500	10,500
District of Columbia	9,000	9,000	9,000
Florida	7,000	7,000	7,000

Georgia	9,500	9,500	9,500
Hawaii	62,000	59,100	56,700
Idaho	55,300	53,500	49,900
Illinois	13,916	13,590	13,271
Indiana	9,500	9,500	9,500
Iowa	39,500	38,200	36,100
Kansas	14,000	14,000	14,000
Kentucky	11,700	11,400	11,100
Louisiana	7,700	7,700	7,700
Maine	12,000	12,000	12,000
Maryland	8,500	8,500	8,500
Massachusetts	15,000	15,000	15,000
Michigan	9,000 or 9,500 for delinquent employers	9,500	9,500
Minnesota	43,000	42,000	40,000
Mississippi	14,000	14,000	14,000
Missouri	9,500	10,000	10,500
Montana	45,100	43,000	40,500
Nebraska	9,000 or \$24,000 for high tax group employers	\$9,000 or \$24,000 for high tax group employers	9,000 or 24,000 for high tax group employers
Nevada	41,800	40,600	40,100
New Hampshire	14,000	14,000	14,000
New Jersey	43,300	42,300	41,100
New Mexico	33,200	31,700	30,100
New York	12,800	12,500	12,300
North Carolina	32,600	31,400	29,600
North Dakota	45,100	43,800	40,800
Ohio	9,000	9,000	9,000
Oklahoma	28,200	27,000	25,700
Oregon	54,300	52,800	50,900
Pennsylvania	10,000	10,000	10,000
Puerto Rico	7,000	7,000	7,000
Rhode Island	29,800 or 31,300 for high tax group employers	\$29,200 or \$30,700 for high tax group employers	28,200 or 29,700 for high tax group employers
South Carolina	14,000	14,000	14,000
South Dakota	15,000	15,000	15,000
Tennessee	7,000	7,000	7,000
Texas	9,000	9,000	9,000
Utah	48,900	47,000	44,800
Vermont	14,800	14,300	13,500
Virginia	8,000	8,000	8,000
Virgin Islands	31,100	31,000	30,200
Washington	72,800	68,500	67,600
West Virginia	9,500	9,521	9,000

Wisconsin	14,000	14,000	14,000
Wyoming	32,400	30,900	29,100