

Modified Business Tax

- An excise tax will be assessed on each employer (a) if the sum of all the wages paid by the employer during a calendar quarter does not exceed \$62,500, the amount of the tax for that calendar quarter is 0.5% of the sum of those wages; or (b) if the sum of all the wages paid by the employer during a calendar quarter exceeds \$62,500, the amount of the tax for that calendar quarter is \$312.50 plus 1.17% of the amount by which the sum of those wages exceeds \$62,500. For example, if the sum of all wages for the 12/09 quarter is \$101,000, the tax is \$312.50 plus \$450.45 (1.17% x \$38,500 which is the amount exceeding \$62,500) = total tax due of \$762.95.
- An employer may deduct from the total amount of wages reported and upon which the excise tax is imposed any amount that is paid by the employer for health insurance or a health benefit plan.
- The tax for each calendar quarter is due on the last day of the quarter.

