

the taxable year for which the delay is requested.

(2) The UIS Director will determine whether delay is or is not granted on the basis of seasonally unadjusted civilian total unemployment rate data published by the Department's Bureau of Labor Statistics.

§ 606.43 Maintenance of solvency effort.

(a) *Applicability.* Legislative-action interest deferrals obtained under subsection (b)(8) (A) through (C) of section 1202 of the Social Security Act are no longer available. Nevertheless, States must maintain their solvency effort with respect to any such deferrals approved in 1983, 1984, and 1985 in order for the deferral to continue to apply in each subsequent year of deferral.

(b) *Determination regarding maintenance of solvency effort.* (1) The UIS Director shall determine if there is a net reduction in solvency effort by first estimating revenue receipts and benefit outlays under the law in effect in the 12-month period ending on September 30 of the year for which continuation of deferral is requested as if it were effective in the base year (12-month period for which the first deferral was granted).

(2) The UIS Director shall then compare revenue receipts and benefit outlays for the base year (previously estimated at the time of the original deferral) with revenue receipts and benefit outlays estimated in paragraph (b)(1) of this section.

(3) If the sum of—

(i) The percentage increase in revenue receipts from the base year to the year for which the continuation of deferral is requested (as estimated in paragraph (b)(1) of this section), and

(ii) The percentage decrease in benefit outlays from the base year to the year for which the continuation of deferral is requested (as estimated in paragraph (b)(1) of this section),

is equal to or greater than the sum of such percentages achieved for the 12-month period ending on September 30 of the year for which the latest deferral was obtained, the State will have maintained its solvency effort, but if less, then a reduction in solvency effort will have occurred.

(4) Notwithstanding the results of the calculation in paragraph (b)(3) of this section, if there is no increase in revenue receipts or no decrease in benefit outlays between the base year and the year for which continuation of deferral is requested, then a reduction in solvency effort will have occurred.

(c) *Effect of determination.* (1) If the UIS Director determines that a State has maintained its solvency effort, continuation of deferral will be granted, and the State will be required to timely pay the deferred interest payable prior to October 1 of the year with respect to which such determination is made.

(2) If the UIS Director determines that a State failed to maintain its solvency effort, all deferred interest shall be due and payable prior to October 1 of the year with respect to which such determination is made.

(d) *Application and information.* (1) The Governor of a State which has decided to request continuation of a previously approved deferral of interest payments shall apply to the Secretary of Labor no later than July 1 of the year for which continuation is requested. The Governor is required to notify the Department on or before September 1 of such taxable year of any action impacting upon the State's application which has occurred or will occur subsequent to the date of the initial application and on or before September 30.

(2) In support of the application by the Governor, there shall be submitted for the purposes of the estimates required in paragraph (b) of this section documentation as specified in § 606.22 (b)(1) through (4), (c) and (f) and bearing upon the application for continuation of deferral, in terms of the relevant comparison between revenue receipts and benefit outlays.

§ 606.44 Notification of determinations.

The UIS Director will make determinations under §§ 606.41, 606.42, and 606.43 on or before September 10 of the taxable year, will promptly notify the applicants and the Secretary of the Treasury of such determinations, and will cause notice of such determinations to be published in the FEDERAL REGISTER. The UIS Director also will