

# Advisory Opinion: Unemployment insurance exemption for agricultural labor

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<b>Subject:</b>	Unemployment insurance exemption for agricultural labor
<b>Admin Code Citation/Public Act Number:</b>	
<b>Section Numbers:</b>	
<b>Illinois Register Citation (Page Number and Publication Date):</b>	
<b>Type of Rule: (New/Emergency/Amended)</b>	
<b>Type of Impact (Reporting/Cost or Fee/Education Credit/Other - specify):</b>	Exemption for unemployment insurance contributions
<b>Business or Industry Type Affected:</b>	Agricultural
<b>Effective Date:</b>	
<b>Plain Language Explanation:</b>	
<b>Public Hearing Location (if applicable):</b>	
<b>Advisory Opinion (if applicable):</b>	Producers of corn who invest in a cooperative association that will process their corn into ethanol, a component of gasoline, ask whether services performed for the cooperative association meet the definition of "agricultural labor". Under certain circumstances, wages for agricultural labor are not subject to unemployment insurance contributions. Agricultural labor includes services

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	<p>performed in the employ of the operator of a farm (or a cooperative organization of which such operators are members), in processing in its unmanufactured state, any agricultural or horticultural commodity, if such operator or operators produced more than one-half of the commodity with respect to which such service is performed. Conversion of corn to ethanol changes its character from its natural state to an industrial one, such that the services performed are no longer with respect to the commodity in its unmanufactured state. Accordingly, the services cannot be classified as agricultural labor.</p>

Members of the public may submit comments to the agency contact listed above. Comments should be submitted within 45 days of publication in the *Illinois Register*.