

SENATE BILL REPORT

SB 5873

AS OF FEBRUARY 26, 1993

**Brief Description:** Funding work force training.

**SPONSORS:** Senators Bluechel, Skratek and Winsley

**SENATE COMMITTEE ON TRADE, TECHNOLOGY & ECONOMIC DEVELOPMENT**

**Staff:** Midori Okazaki (786-7444)

Hearing Dates: March 2, 1993

**BACKGROUND:**

A highly-skilled workforce plays a central role in keeping Washington's industries competitive in the global economy. Yet, budgetary constraints are taxing the ability of the state to invest in essential postsecondary vocational training and retraining programs. The governments of many of our foreign competitors use levies to support worker training programs. At least four states also collect payroll-based training taxes.

**SUMMARY:**

The Department of Revenue is required to collect a payroll tax from all employers of 2 cents for each hour of work by each employee. One-half of the tax levied on the hours of an employee is to be deducted from the employee's pay. The monies collected are deposited into a workforce training account to be established in the state treasury, and are to be used only for postsecondary vocational and technical training and retraining. The payroll tax is due quarterly.

**Appropriation:** none

**Revenue:** yes

**Fiscal Note:** requested