

2 SSB 6421 - S AMD - 786
3 By Senators Schow and Heavey

4 ADOPTED 2/17/98

5 On page 3, after line 5, insert the following:

6 "NEW SECTION. **Sec. 2.** It is the intent of the legislature to
7 provide taxation relief to those businesses or corporations that have
8 been required to provide unemployment insurance coverage to members of
9 their boards of directors.

10 **Sec. 3.** RCW 50.04.165 and 1993 c 290 s 2 are each amended to read
11 as follows:

12 Services performed by a person appointed as an officer of a
13 corporation under RCW 23B.08.400 or as a member of a board of directors
14 under RCW 23B.08.010, other than those covered by chapter 50.44 RCW,
15 shall not be considered services in employment. However, a corporation
16 may elect to cover not less than all of its corporate officers or board
17 of directors under RCW 50.24.160. If an employer does not elect to
18 cover its corporate officers under RCW 50.24.160, the employer must
19 notify its corporate officers in writing that they are ineligible for
20 unemployment benefits. If the employer fails to notify any corporate
21 officer, then that person shall not be considered to be a corporate
22 officer for the purposes of this section.

23 NEW SECTION. **Sec. 4.** If any provision of this act or its
24 application to any person or circumstance is held invalid, the
25 remainder of the act or the application of the provision to other
26 persons or circumstances is not affected.

27 NEW SECTION. **Sec. 5.** Section 3 of this act applies retroactively
28 to all administrative tax claims currently pending before the
29 employment security department for claims incurred after March 1, 1992,
30 regarding unemployment insurance coverage of members of boards of
31 directors."

