
HOUSE BILL 2303

State of Washington

57th Legislature

2002 Regular Session

By Representatives Conway, Wood and Kenney; by request of Employment Security Department

Read first time 01/14/2002. Referred to Committee on Commerce & Labor.

1 AN ACT Relating to correcting rate class 16 in schedule B by
2 amending RCW 50.29.025 and making no other changes; and amending RCW
3 50.29.025.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 50.29.025 and 2000 c 2 s 4 are each amended to read as
6 follows:

7 The contribution rate for each employer subject to contributions
8 under RCW 50.24.010 shall be determined under this section.

9 (1) A fund balance ratio shall be determined by dividing the
10 balance in the unemployment compensation fund as of the September 30th
11 immediately preceding the rate year by the total remuneration paid by
12 all employers subject to contributions during the second calendar year
13 preceding the rate year and reported to the department by the following
14 March 31st. The division shall be carried to the fourth decimal place
15 with the remaining fraction, if any, disregarded. The fund balance
16 ratio shall be expressed as a percentage.

17 (2) The interval of the fund balance ratio, expressed as a
18 percentage, shall determine which tax schedule in subsection (5) of
19 this section shall be in effect for assigning tax rates for the rate

1 year. The intervals for determining the effective tax schedule shall
2 be:

3	Interval of the	
4	Fund Balance Ratio	Effective
5	Expressed as a Percentage	Tax Schedule
6	2.90 and above	AA
7	2.10 to 2.89	A
8	1.70 to 2.09	B
9	1.40 to 1.69	C
10	1.00 to 1.39	D
11	0.70 to 0.99	E
12	Less than 0.70	F

13 (3) An array shall be prepared, listing all qualified employers in
14 ascending order of their benefit ratios. The array shall show for each
15 qualified employer: (a) Identification number; (b) benefit ratio; (c)
16 taxable payrolls for the four calendar quarters immediately preceding
17 the computation date and reported to the department by the cut-off
18 date; (d) a cumulative total of taxable payrolls consisting of the
19 employer's taxable payroll plus the taxable payrolls of all other
20 employers preceding him or her in the array; and (e) the percentage
21 equivalent of the cumulative total of taxable payrolls.

22 (4) Each employer in the array shall be assigned to one of twenty
23 rate classes according to the percentage intervals of cumulative
24 taxable payrolls set forth in subsection (5) of this section:
25 PROVIDED, That if an employer's taxable payroll falls within two or
26 more rate classes, the employer and any other employer with the same
27 benefit ratio shall be assigned to the lowest rate class which includes
28 any portion of the employer's taxable payroll.

29 (5) Except as provided in RCW 50.29.026, the contribution rate for
30 each employer in the array shall be the rate specified in the following
31 tables for the rate class to which he or she has been assigned, as
32 determined under subsection (4) of this section, within the tax
33 schedule which is to be in effect during the rate year:

1 (b) For all other employers not qualified to be in the array, the
2 contribution rate shall be a rate equal to the average industry rate as
3 determined by the commissioner; however, the rate may not be less than
4 one percent. Assignment of employers by the commissioner to industrial
5 classification, for purposes of this section, shall be in accordance
6 with established classification practices found in the "Standard
7 Industrial Classification Manual" issued by the federal office of
8 management and budget to the third digit provided in the standard
9 industrial classification code, or in the North American industry
10 classification system code.

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