
Commerce & Labor Committee

SSB 5534

Brief Description: Creating an exemption from unemployment compensation for certain small performing arts industries.

Sponsors: Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Kohl-Welles, Clements and Keiser).

Brief Summary of Substitute Bill

- Excludes activities related to performances sponsored by theater companies and dinner theaters, dance companies, and museums for which nominal stipends are paid from employment for purposes of unemployment benefits and taxes.

Hearing Date: 3/23/07

Staff: Jill Reinmuth (786-7134).

Background:

Unemployment benefits are payable to unemployed workers who worked at least 680 hours in covered employment in their base years and meet other eligibility requirements. Unemployment contributions (taxes) are paid on wages paid in covered employment.

Most employment is covered employment under the Employment Security Act. Employment excluded from coverage includes work performed by certain corporate officers, employees of churches and certain nonprofit organizations, and certain nonresident aliens who are temporarily in the United States to work.

Summary of Bill:

Covered employment does not include activities related to performances sponsored by theater companies and dinner theaters, dance companies, and museums for which nominal stipends are paid. Stipends are presumed to defray incidental expenses, including meals, transportation, lodging, costumes, supplies, child care, and related expenses. "Stipends" are fixed sums paid

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periodically to defray expenses. This exclusion does not apply to employers with more than three employees during any portion of a day during the calendar year.

Rules Authority: The bill does not contain provisions addressing the rule-making powers of an agency.

Appropriation: None.

Fiscal Note: Requested on March 14, 2007.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.