

FINAL BILL REPORT

SJM 8008

Synopsis as Enacted

Brief Description: Requesting that the United States Department of Labor provide Washington with federal unemployment tax relief for Washington employers and a financial benefit for the state's trust fund.

Sponsors: Senators Brown, Hewitt, Kohl-Welles, Holmquist Newbry, Conway, Parlette, Fraser, Kilmer, White and Hatfield.

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Labor & Workforce Development

Background: A number of states have had to borrow funds from the federal unemployment account to pay unemployment benefits. Generally, those loans must be paid back, with interest, within two years. If a state fails to fully repay a loan, the federal government is required to recoup it by raising federal unemployment insurance (UI) taxes on employers in the state. It is expected that federal UI taxes on employers will increase automatically in a number of states in 2011 and 2012. Interest payments on UI loans are made separately, and are due in September of each year that a state is borrowing. States commonly enact special assessments on employers to make the interest payments.

Current proposals at the federal level would call for a moratorium on states raising taxes to pay for unemployment insurance, allow states to avoid paying interest on their unemployment insurance debt, and suspend automatic hikes in the federal unemployment tax.

Summary: The United States Department of Labor is requested to provide Washington and UI tax paying employers with federal unemployment tax relief and a financial benefit equal to any benefit provided to employers in states who have had to borrow from the federal Unemployment Account.

Votes on Final Passage:

Senate	47	0	
House	97	0	(House amended)
Senate	46	0	(Senate concurred)

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