PREPROPOSAL STATEMENT OF INQUIRY

Agency: Employment Security Department

Subject of possible rule making: Adopting and amending rules on the general subject of unemployment insurance taxes, including tax rates, reporting, coverage, and enforcement, and rules implementing 2007 legislation: SHB 1278 (Ch. 51, L 07), tax rates for new employers; ESSB 5373 (Ch. 146, L 07), sections relating to reporting requirements, penalties, and corporate officers; SSB 5354 (Ch. 366, L 07) exempting payments by certain small performing arts industries; SSB 5702 (Ch. 386, L 07), requiring notification by religious organizations to their employees; ESSB 5915 (Ch. 287, L 07), employer notices. (cont.)

Statutes authorizing the agency to adopt rules on this subject: RCW 50.12.010 and RCW 50.12.040.

Reasons why rules on this subject may be needed and what they might accomplish: Rules are needed to implement 2007 legislation related to unemployment insurance taxes including new employer rates, corporate officers, employer registration, benefit charging, penalties, an exemption for small theaters, and required notices. In order to make rules clearer and more comprehensive and to provide more consistent, predictable, and transparent standards, the department intends to review and update current rules which also relate to these topics. In addition, it will review tax rates, reporting, coverage, enforcement, and other unemployment insurance tax topics, including delinquent and qualified tax rates, rate recalculations, reporting by employers, reimbursable employers, possible definitions of fraud and misrepresentation, and technical amendments.

Identify other federal and state agencies that regulate this subject and the process coordinating the rule with these agencies: The U.S. Department of Labor reviews the state's administration of the unemployment insurance program to ensure conformity to federal statutes and regulations. The state has broad flexibility in the implementation of unemployment insurance laws as long as conformity is maintained. The proposed regulations will be shared with USDOL prior to adoption.

In addition, proposed regulations will be shared with the state Department of Revenue, Department of Labor and Industries, and Department of Licensing.

Process for developing new rule (check all that apply):
- [ ] Negotiated rule making
- [ ] Pilot rule making
- [ ] Agency study
- [x] Other (describe) The department will hold public meetings to obtain and consider public and stakeholder input prior to filing the proposed rules. In addition, there will be a mailing to stakeholders identified in the rulemaking process and written comments from stakeholders will be considered.

How interested parties can participate in the decision to adopt the new rule and formulation of the proposed rule before publication:

Interested persons can participate in the decision to adopt the new rules and formulation of the proposed rules before publication by contacting:
Juanita Myers, Unemployment Insurance Rules Coordinator
Employment Security Department
PO Box 9046
Olympia WA 98507-9046

Phone: (360) 902-9665
FAX: (360) 902-9799
E-mail: jmyers@esd.wa.gov

Please include your name, organization (if any), mailing address, e-mail address, and telephone number.

DATE
2-22-07

NAME (TYPE OR PRINT)
Paul Trause

SIGNATURE

TITLE
Deputy Commissioner

CODE REVISER USE ONLY

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Subject of Possible Rule Making (continued)

The department will generally review and update unemployment insurance tax rules, including WAC chapters 192-300 (Registering for Unemployment Insurance Taxes); 192-310 (Reporting of Wages and Taxes Due); 192-320 (Experience Rating and Benefit Charging); 192-330 (Collections and Refunds); and 192-340 (Audits and Technical Assistance).

[The portions of ESSB 5373 relating to professional employer organizations, claimant penalties, and overpayments are the subjects of separate concurrent rulemaking proceedings by the department. The subjects of transfers of employers or businesses and classification of employees are also the subjects of separate concurrent rulemaking proceedings by the department.]