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**SENATE BILL 5197**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** Senators Schoesler, Honeyford, King, Padden, Short, and Warnick

Read first time 01/13/21. Referred to Committee on Labor, Commerce & Tribal Affairs.

1 AN ACT Relating to wages for unemployment insurance  
2 contributions; amending RCW 50.24.010; creating a new section; and  
3 declaring an emergency.

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

5 **Sec. 1.** RCW 50.24.010 and 2000 c 2 s 2 are each amended to read  
6 as follows:

7 (1) Contributions shall accrue and become payable by each  
8 employer (except employers as described in RCW 50.44.010 who have  
9 properly elected to make payments in lieu of contributions and those  
10 employers who are required to make payments in lieu of contributions)  
11 for each calendar year in which the employer is subject to this title  
12 at the rate established pursuant to chapter 50.29 RCW.

13 (2) In each rate year, the maximum amount of wages subject to tax  
14 for each individual shall be ~~((one))~~ the lessor of:

15 (a) One hundred fifteen percent of the amount of wages subject to  
16 tax for the previous year rounded to the next lower one hundred  
17 dollars, except that the amount of wages subject to tax in any rate  
18 year shall not exceed eighty percent of the "average annual wage for  
19 contributions purposes" for the second preceding calendar year  
20 rounded to the next lower one hundred dollars ~~((. However, the amount~~

1 ~~subject to tax shall be twenty-four thousand three hundred dollars~~  
2 ~~for rate year 2000); or~~

3 (b) The amount of wages subject to tax for each individual  
4 calculated under this section for the previous rate year multiplied  
5 by 100 percent plus the percentage change in the consumer price index  
6 for the preceding calendar year, not to exceed three percent. For  
7 purposes of this subsection, "consumer price index" means the  
8 consumer price index for the Seattle, Washington area for urban wage  
9 earners and clerical workers, all items, compiled by the bureau of  
10 labor statistics, United States department of labor.

11 (3) In making computations under this section and RCW 50.29.010,  
12 wages paid based on services for employers making payments in lieu of  
13 contributions shall not be considered remuneration. Moneys paid from  
14 the fund, based on services performed for employers who make payments  
15 in lieu of contributions, which have not been reimbursed to the fund  
16 as of any June 30 shall be deemed an asset of the unemployment  
17 compensation fund, to the extent that such moneys exceed the amount  
18 of payments in lieu of contributions which the commissioner has  
19 previously determined to be uncollectible: PROVIDED, FURTHER, That  
20 the amount attributable to employment with the state shall also  
21 include interest as provided for in RCW 50.44.020.

22 (4) Contributions shall become due and be paid by each employer  
23 to the treasurer for the unemployment compensation fund in accordance  
24 with such regulations as the commissioner may prescribe, and shall  
25 not be deducted, in whole or in part, from the remuneration of  
26 individuals in employment of the employer. Any deduction in violation  
27 of the provisions of this section shall be unlawful.

28 (5) In the payment of any contributions, a fractional part of a  
29 cent shall be disregarded unless it amounts to one-half cent or more,  
30 in which case it shall be increased to one cent.

31 NEW SECTION. Sec. 2. If any part of this act is found to be in  
32 conflict with federal requirements that are a prescribed condition to  
33 the allocation of federal funds to the state or the eligibility of  
34 employers in this state for federal unemployment tax credits, the  
35 conflicting part of this act is inoperative solely to the extent of  
36 the conflict, and the finding or determination does not affect the  
37 operation of the remainder of this act. Rules adopted under this act  
38 must meet federal requirements that are a necessary condition to the

1 receipt of federal funds by the state or the granting of federal  
2 unemployment tax credits to employers in this state.

3 NEW SECTION. **Sec. 3.** This act is necessary for the immediate  
4 preservation of the public peace, health, or safety, or support of  
5 the state government and its existing public institutions, and takes  
6 effect immediately.

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