
SENATE BILL 5874

State of Washington

69th Legislature

2026 Regular Session

By Senator MacEwen

Prefiled 12/12/25.

1 AN ACT Relating to employers' information reporting for purposes
2 of unemployment compensation; and amending RCW 50.12.070 and
3 50.12.220.

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

5 **Sec. 1.** RCW 50.12.070 and 2023 c 256 s 1 are each amended to
6 read as follows:

7 (1)(a) Each employing unit shall keep true and accurate work
8 records, containing such information as the commissioner may
9 prescribe. Such records shall be open to inspection and be subject to
10 being copied by the commissioner or his or her authorized
11 representatives at any reasonable time and as often as may be
12 necessary. The commissioner may require from any employing unit any
13 sworn or unsworn reports with respect to persons employed by it,
14 which he or she deems necessary for the effective administration of
15 this title.

16 (b) An employer who contracts with another person or entity for
17 work subject to chapter 18.27 or 19.28 RCW shall obtain and preserve
18 a record of the unified business identifier account number for and
19 compensation paid to the person or entity performing the work. In
20 addition to the penalty in subsection (3) of this section, failure to
21 obtain or maintain the record is subject to RCW 39.06.010.

1 (2) (a) (i) Each employer shall register with the department and
2 obtain an employment security account number. Each employer shall
3 make periodic reports at such intervals as the commissioner may by
4 regulation prescribe, setting forth the remuneration paid for
5 employment to workers in its employ, the full names and social
6 security numbers of all such workers, the standard occupational
7 classification or job title of each worker, and the total hours
8 worked by each worker and such other information as the commissioner
9 may by regulation prescribe. (~~Reporting the standard occupational~~
10 ~~classification or job title of each worker is optional for employers~~
11 ~~until October 1, 2022~~)) The department must allow an employer to
12 amend a periodic report filed before its due date up until the
13 report's due date without penalty.

14 (ii) A federally recognized tribe may elect to report the
15 standard occupational classifications or job titles of workers. If a
16 federally recognized tribe elects to report standard occupational
17 classifications or job titles, it retains the option to opt out of
18 reporting at any time for any reason it deems necessary. The
19 department shall adopt rules to implement this subsection (2) (a) (ii).

20 (b) If the employing unit fails or has failed to report the
21 number of hours in a reporting period for which a worker worked, such
22 number will be computed by the commissioner and given the same force
23 and effect as if it had been reported by the employing unit. In
24 computing the number of such hours worked, the total wages for the
25 reporting period, as reported by the employing unit, shall be divided
26 by the dollar amount of the state's minimum wage in effect for such
27 reporting period and the quotient, disregarding any remainder, shall
28 be credited to the worker: PROVIDED, That although the computation so
29 made will not be subject to appeal by the employing unit, monetary
30 entitlement may be redetermined upon request if the department is
31 provided with credible evidence of the actual hours worked. Benefits
32 paid using computed hours are not considered an overpayment and are
33 not subject to collections when the correction of computed hours
34 results in an invalid or reduced claim; however:

35 (i) A contribution paying employer who fails to report the number
36 of hours worked will have its experience rating account charged for
37 all benefits paid that are based on hours computed under this
38 subsection; and

39 (ii) An employer who reimburses the trust fund for benefits paid
40 to workers and fails to report the number of hours worked shall

1 reimburse the trust fund for all benefits paid that are based on
2 hours computed under this subsection.

3 (3) Any employer who fails to keep and preserve records required
4 by this section shall be subject to a penalty determined by the
5 commissioner but not to exceed (~~two hundred fifty dollars~~) \$250 or
6 (~~two hundred~~) 200 percent of the quarterly tax for each offense,
7 whichever is greater.

8 **Sec. 2.** RCW 50.12.220 and 2020 c 334 s 3 are each amended to
9 read as follows:

10 (1) If an employer fails to file a timely report as required by
11 RCW 50.12.070, or the rules adopted pursuant thereto, the employer is
12 subject to a penalty of (~~twenty-five dollars~~) \$25 per violation,
13 unless the penalty is waived by the commissioner or subsection (2)(c)
14 (ii) of this section applies.

15 (2) An employer who files an incomplete or incorrectly formatted
16 tax and wage report as required by RCW 50.12.070 must receive a
17 warning letter for the first occurrence. The warning letter will
18 provide instructions for accurate reporting or notify the employer
19 how to obtain technical assistance from the department. Except as
20 provided in subsections (3) and (4) of this section, for subsequent
21 occurrences within five years of the last occurrence, the employer is
22 subject to a penalty as follows:

23 (a) When no contributions are due: For the second occurrence, the
24 penalty is (~~seventy-five dollars~~) \$75; for the third occurrence,
25 the penalty is (~~one hundred fifty dollars~~) \$150; and for the fourth
26 occurrence and for each occurrence thereafter, the penalty is (~~two~~
27 ~~hundred fifty dollars~~) \$250.

28 (b) When contributions are due: For the second occurrence, the
29 penalty is (~~ten~~) 10 percent of the quarterly contributions due, but
30 not less than (~~seventy-five dollars~~) \$75 and not more than (~~two~~
31 ~~hundred fifty dollars~~) \$250; for the third occurrence, the penalty
32 is (~~ten~~) 10 percent of the quarterly contributions due, but not
33 less than (~~one hundred fifty dollars~~) \$150 and not more than (~~two~~
34 ~~hundred fifty dollars~~) \$250; and for the fourth occurrence and each
35 occurrence thereafter, the penalty is (~~two hundred fifty dollars~~)
36 \$250.

37 (c) (i) The commissioner may waive penalties for minor or
38 insignificant reporting errors. For purposes of this section, "minor
39 or insignificant reporting errors" includes, but is not limited to,

1 inadvertent errors caused by the failure of any electronic software
2 to properly produce a tax and wage report with the standard
3 occupational classification or job title of each worker.

4 (ii) An employer whose tax and wage report is incomplete due to a
5 failure to report the standard occupational classification or job
6 title of each worker must pay an incomplete report penalty under this
7 subsection only if the employer knowingly failed to report the
8 standard occupational classification or job title of each worker.

9 (3) If an employer knowingly misrepresents to the employment
10 security department the amount of his or her payroll upon which
11 contributions under this title are based, the employer shall be
12 liable to the state for up to (~~ten~~) 10 times the amount of the
13 difference in contributions paid, if any, and the amount the employer
14 should have paid and for the reasonable expenses of auditing his or
15 her books and collecting such sums. Such liability may be enforced in
16 the name of the department.

17 (4) If contributions are not paid on the date on which they are
18 due and payable as prescribed by the commissioner, there shall be
19 assessed a penalty of five percent of the amount of the contributions
20 for the first month or part thereof of delinquency; there shall be
21 assessed a total penalty of (~~ten~~) 10 percent of the amount of the
22 contributions for the second month or part thereof of delinquency;
23 and there shall be assessed a total penalty of (~~twenty~~) 20 percent
24 of the amount of the contributions for the third month or part
25 thereof of delinquency. No penalty so added shall be less than (~~ten~~
26 ~~dollars~~) \$10. These penalties are in addition to the interest
27 charges assessed under RCW 50.24.040.

28 (5) Penalties shall not accrue on contributions from an estate in
29 the hands of a receiver, executor, administrator, trustee in
30 bankruptcy, common law assignee, or other liquidating officer
31 subsequent to the date when such receiver, executor, administrator,
32 trustee in bankruptcy, common law assignee, or other liquidating
33 officer qualifies as such, but contributions accruing with respect to
34 employment of persons by a receiver, executor, administrator, trustee
35 in bankruptcy, common law assignee, or other liquidating officer
36 shall become due and shall be subject to penalties in the same manner
37 as contributions due from other employers.

38 (6) Where adequate information has been furnished to the
39 department and the department has failed to act or has advised the
40 employer of no liability or inability to decide the issue, penalties

1 shall be waived by the commissioner. Penalties may also be waived for
2 good cause if the commissioner determines that the failure to file
3 timely, complete, and correctly formatted reports or pay timely
4 contributions was not due to the employer's fault.

5 (7) Any decision to assess a penalty as provided by this section
6 shall be made by the chief administrative officer of the tax branch
7 or his or her designee.

8 (8) Nothing in this section shall be construed to deny an
9 employer the right to appeal the assessment of any penalty. Such
10 appeal shall be made in the manner provided in RCW 50.32.030.

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