

Distribution of Employers in Each UI Tax Rate Class, by Industry and County

Request Summary: Who and what industries are at the tax cap? Who would be affected if the tax cap was removed and what would those tax rates be?

Assumptions, Caveats and Parameters of data output:

Employer tax rate information is confidential. Some of the information contained in this response is confidential and cannot be shared with the public. When the total number of employers displayed is less than five, the Bureau of Labor Statistics believes that an individual employer could potentially be identified, and requires us to strip the data. In this data output, when a county has less than five employers in a specific industry, that county/industry is marked with an “**”, so the exact employers can not be identified. We have provided you as much information as possible in keeping with that policy. Confidentiality provisions may be found in Chapter 50.13 RCW. Sanctions for disclosure include civil penalties and other sanctions under state and federal law.

Data displayed used the actual 2005 UI Tax array of all 146,405 qualified employers in the state.

For each rate class, displayed numbers of employers in a specific industry for each county, with statewide total of employers in that industry for that rate class at the bottom of each page. The final two pages (pages 81 and 82) hold county totals of employers, by industry, regardless of the tax rate.

Each rate class requires two pages to display all the industry sectors at a fairly detailed level, using the North American Industry Classification System:

<u>NAICS CODE(S)</u>	<u>INDUSTRIES IN THAT CODE</u>
1112, 1113	A- Agriculture - Fruits and Vegetables
111x, 112, 113, 114x	A- Other Agriculture, Forestry and Hunting
1141	A- Fishing
21	B- Mining
22	C- Utilities
234, 237	D- Construction- Heavy, Highway, and Civil Engineering
2362	D- Construction- Nonresidential Building
233, 2361	D- Construction- Residential Building
235, 238	D- Construction- Specialty Trade Contractors
31	E- Manufacturing- Food, Beverage, and Clothing
32	F- Manufacturing- Wood, Chemical, and Nonmetallic Mineral
3364	G- Manufacturing- Aerospace
33x	G- Manufacturing- Metal, Machine, and Transportation
42	H- Wholesale Trade
44	I- Retail Trade - Specialty
45	J- Retail Trade - General and Miscellaneous
48	K- Transportation
49	L- Warehousing
51	M- Information
52	N- Finance and Insurance
53	O- Real Estate and Rental and Leasing
54	P- Professional Scientific and Technical Services
55	Q- Management of Companies and Enterprises
561	R- Administrative and Support Services
562	R- Waste Management
61	S- Education Services
62	T- Health Care and Social Assistance Services
71	U- Arts, Entertainment, and Recreation Services
721	V- Accommodation Services
722	V- Food Services
812	W- Personal and Laundry Services
814	W- Private Household Services
813	W- Religious, Grantmaking, Civic, Professional Services
811	W- Repair and Maintenance Services
92	X- Public Administration

NOTE: For NAICS codes displayed as ‘111x’ or ‘33x’, the x means all the NAICS Codes of industries in the large industry sector that are not elsewhere displayed by a more detailed (four, five or six digit) NAICS Code on this report.

Distribution of Employers in Each UI Tax Rate Class, by Industry and County, continued

Narrative Response to Question:

Rather than provide just the highest tax rate data, industry- and county-specific information is offered for all 40 tax rates. Pages 81 and 82 reflect statewide totals for all industries for all counties. Pages 1 through 80 reflect the distribution for each rate class, starting with rate class 1.

Employers are concentrated in rate classes 1 and 40. Fully 46% of employers in 2005 were assigned rate class 1. About 80% of those 67,907 employers are in Western Washington; 20% are in Eastern Washington.

A total of 13,242 (or about 9%) of Washington's 146,405 qualified employers were assigned rate class 40 in 2005. Almost 69% of these employers are in Western Washington; just over 31% are in Eastern Washington.

Of the 13,242 employers in the top rate class, 3,743 employers are in construction industries. Of all employers in rate class 40, 17% are in specialty trades construction; 5% are in residential building; and about 3% are in heavy construction and in non-residential building. Statewide, construction industries have 15,748 employers.

Almost 19% of rate class 40 employers are private households, predominately chore services workers (also called COPEs Accounts). This makes up the second largest industry in the highest rate class. The largest numbers of COPEs employers are in the urban counties. There are 32,462 COPEs employers statewide in 2005, almost 22% of all employers in the state: 2,475 (8%) of the COPEs employers are in rate class 40; 25,821 (80%) are in rate class 1.

Fruit and vegetable agriculture employers account for just over 6% of employers in the top rate class with 813 employers assigned that rate. There are 2,925 employers statewide in this industry: 114 are in rate class 1; and between 30-70 employers in most other rate classes.

The businesses that fall into the combined industries of "Other agriculture, forestry and hunting" make up just over 5% of employers in the top rate class. Of 3,819 employers statewide, 720 are in rate class 40; 1,306 are in rate class 1.

Professional, scientific, and technical services industries make up over 5.5% of employers at rate class 40.

Retail trade employers account for not quite 4% of all rate class 40 employers.

The transportation industry has almost 3% of employers at the highest rate class.

About 2% of employers in rate class 40 are in the fishing industry. All 375 employers in fishing are in Western Washington: 264 are in rate class 40; 22 are in rate class 1.

In terms of the effects of removing the tax cap, note that every employer in rate class 40 is paying a 5.4% experience rated tax, which would mean a benefit ratio of 0.054000. The range of benefit ratios in this rate class runs from 0.057500 to greater than 1.000000. Three employers in rate class 40 have a benefit ratio of greater than 1.000000. The effective experienced tax rate would be 5.75% up to 323.0%.

Benefit Ratio	Number	Taxable Wages
.057500 to .100000	7,736	\$1,838,844,240.22
.100001 to .200000	4,675	\$770,622,745.36
.200001 to .300000	673	\$24,245,642.99
.300001 to .400000	118	\$2,472,476.25
.400001 to .500000	21	\$429,725.80
Greater than .500000	19	\$578,613.33
Totals	13,242	\$2,637,193,443.95

All employers in rate classes 40, 39, and 38, plus some employers in rate class 37, are subsidized by the employers in rate classes 10 through 36. Employers in rate classes 10 through 36 have a tax rate higher than their benefit ratio, while employers in rate classes 37 through 40 have a tax rate lower than their benefit ratio.