



Employment Security Department

WASHINGTON STATE

November 30, 2005

Mike Gempler, Task Force Member (Substitute)
C/O Joint Legislative Task Force on Unemployment Insurance Benefit Equity
PO Box 40600
Olympia, WA 98504-0600

Dear Mr. Gempler:

Enclosed you will find the response to your request for more industry detail on tax rates based on actual benefit ratios without a tax cap.

Summary of Your Request

You asked Employment Security to provide more detailed information on the following question: "Who would be affected if the tax cap was removed and what would those tax rates be?"

At the November 17 Task Force Meeting, the Department presented answers to a number of Task Force Questions, including the question framed above which was Question 2. At that meeting, a table "Rates of Employers in Rate Class 40 with Tax Cap Removed" provided numbers of employers by major industry sector with their actual benefit ratio, up to "Above 100%".

Parameters of the response

On the attached three page spreadsheet, the same data provided on November 17 at the two-digit industry code level is now broken out into 35 industry sectors.

Summary of Findings

The same general conclusions of the data apply to this more detailed industry breakdown. If experience-rated taxes were set at each employer's actual benefit ratio:

- Over 13,000 employers would see a tax increase
- Tax rates would range from 5.75% to over 100%
- As the actual benefit ratio goes up, fewer employers are represented, with a few exceptions. Look at the "all industry sectors" column, where there are declining numbers of employers until benefit ratio 25.01% - 30.0%. You can then track where these exceptions occur.

I hope that this information will meet your needs and prove beneficial in your deliberations. Any comments, questions or concerns should be directed to Judy Johnson who will coordinate responses. She can be reached at (360) 902-9348 or by email at jjohnson@esd.wa.gov.

Sincerely,



Annette M. Copeland
Assistant Commissioner, Unemployment Insurance

Tax Rates of Employers in Rate Class 40 with Tax Cap Removed

Number of Employers by Industry Sector

Washington State

		ALL INDUSTRY SECTORS	Agriculture: Fruits, Vegetables	Other Agriculture, Forestry, Hunting	Fishing	Mining	Utilities	Construction: Heavy, Highway, Civil Engineering	Construction: Nonresidential Building	Construction: Residential Building	Construction: Specialty Trade Contractors	Manufacturing: Food, Beverage, Clothing	Manufacturing: Wood, Chemical, Nonmetallic Mineral	Manufacturing: Aerospace	Manufacturing: Metal, Machine, Transportation	
# Employers in Rate Class 40		13,242	813	720	264	34	9	453	363	705	2,222	98	153	24	330	
from	to															
5.75%		1									1					
5.76%	6.00%	693	47	23	5	1		16	20	44	105	5	16	2	23	
6.01%	6.25%	646	37	29	3	1	1	18	17	34	81	2	13	3	23	
6.26%	6.50%	606	46	34	5	2		22	13	29	77	1	7	1	20	
6.51%	6.75%	560	41	23	5	1		11	14	40	84	6	13	1	23	
6.76%	7.00%	537	30	22	3			10	13	22	87	5	9	6	12	
7.01%	7.25%	546	36	27	4	3	2	13	13	33	91	7	7	2	16	
7.26%	7.50%	453	32	17	5	1		14	15	24	66	1	4		16	
7.51%	7.75%	515	35	29	2			17	9	21	91	6	3		16	
7.76%	8.00%	448	35	18	4	2		19	9	16	94	1	5	1	10	
8.01%	8.50%	806	50	33	7	1	1	30	10	33	149	7	13	2	23	
8.51%	9.00%	690	44	34	6	1		33	21	32	129	6	8		14	
9.01%	9.50%	680	41	44	14	5	1	23	23	38	123	4	6	1	8	
9.51%	10.00%	555	40	23	10	2	2	22	22	32	97	2	5	1	19	
10.01%	10.50%	558	26	33	3			23	11	39	89	8	5	1	12	
10.51%	11.00%	466	34	35	11	3		18	20	20	71	6	7		12	
11.01%	11.50%	440	24	24	15	1		17	16	21	83	3	1		7	
11.51%	12.00%	356	35	16	10	2		17	16	20	63	2	5		8	
12.01%	12.50%	318	23	18	13			14	9	18	65	3		1	3	
12.51%	13.00%	294	17	15	6			8	9	18	60	1	1		8	
13.01%	13.50%	276	16	21	6			9	7	19	48	4	1	1	5	
13.51%	14.00%	240	13	14	9			9	4	13	41	1			3	
14.01%	14.50%	219	14	9	5	1		14	4	14	35				4	
14.51%	15.00%	228	9	22	5			6	6	14	39	1	6		5	
15.01%	15.50%	171	9	12	6		1	10	2	11	37	1	1			
15.51%	16.00%	164	6	13	5	2		8	4	8	25		3		1	
16.01%	16.50%	182	8	18	9			6	8	11	36	3	1		2	
16.51%	17.00%	153	5	5	8			2	6	7	28	2			4	
17.01%	17.50%	112	6	10	6			5	3	6	18	1	1		2	
17.51%	18.00%	113	7	5	6	1	1	5	8	6	18	1	2	1	3	
18.01%	18.50%	107	6	9	4	1		4	3	6	16				5	
18.51%	19.00%	108	5	8	8			5	2	1	22				1	
19.01%	19.50%	95	2	6	7			4	2	6	22	1	1		4	
19.51%	20.00%	75	1	6	1			4	3	4	10	1				
20.01%	20.50%	74	5	9	1			2	1	7	10	1	1			
20.51%	21.00%	71	2	7	2	1		4	1	2	11		1		1	
21.01%	21.50%	57		2	5			1	2	2	13				2	
21.51%	22.00%	68	3	4	4			1		3	12				1	
22.01%	22.50%	56	2	3	11			1	1	2	9		1		1	
22.51%	23.00%	46	3	6	2			2	2	4	4				3	
23.01%	23.50%	36	1	3					1	4	6				1	
23.51%	24.00%	35		7	1			1	1		8					
24.01%	24.50%	38	1		2				1	4	5	1			2	
24.51%	25.00%	27		2	6				1	2	1				2	
25.01%	30.00%	165	9	15	9	1		2	5	5	23	1	4		2	
30.01%	35.00%	89	6	3	2				1	5	6	1			2	
35.01%	40.00%	29		2	3			2	2	3	6					
40.01%	45.00%	14	1	1					1	1	2		1			
45.01%	50.00%	7		1				1			2					
50.01%	100.00%	16				1			1	1	3	2			1	
Above 100%		3											1			

Created by Employment Security Department; UI Research and Analysis

Data Source: UI Data Warehouse and 2005 Annual Benefit Ratio Array Report

Tax Rates of Employers in Rate Class 40 with Tax Cap Removed

Number of Employers by Industry Sector

Washington State

	ALL INDUSTRY SECTORS	Wholesale Trade	Retail Trade: Specialty	Retail Trade: General, Miscellaneous	Transportation	Warehousing	Information	Finance, Insurance	Real Estate, Rental, Leasing	Services: Professional, Scientific, Technical	Services: Management of Companies and Enterprises	Services: Administrative, Support	Services: Waste Management	Services: Education	Services: Health Care, Social Assistance	
# Employers in Rate Class 40	13,242	749	366	141	377	17	150	150	248	753	12	546	40	52	222	
from	to															
5.75%		1														
5.76%	6.00%	693	39	24	12	25	1	4	5	17		3	38	1	2	21
6.01%	6.25%	646	54	23	12	14	2	8	4	20			34	2	2	25
6.26%	6.50%	606	39	28	7	16	1	10	11	18			22		2	15
6.51%	6.75%	560	36	19	4	15		6	5	16		2	26		7	9
6.76%	7.00%	537	40	25	7	17		6	8	10		1	22	3	6	11
7.01%	7.25%	546	27	13	11	13	1	5	5	14			18	6	2	17
7.26%	7.50%	453	36	18	4	13		6	5	8			16	2	1	7
7.51%	7.75%	515	34	17	6	15	2	7	8	17			22	2	2	9
7.76%	8.00%	448	24	9	6	10		5	4	8			19		1	7
8.01%	8.50%	806	37	24	9	25	1	11	7	17		2	42	4	5	12
8.51%	9.00%	690	39	25	5	18		10	7	18			24	3	2	19
9.01%	9.50%	680	29	22	8	19		4	6	10		1	23	1	3	11
9.51%	10.00%	555	27	17	3	16	2	6	3	5			24	1	1	4
10.01%	10.50%	558	31	18	5	15	4	6	2	15		1	32		1	12
10.51%	11.00%	466	25	5	2	12		5	9	3			22	2	2	6
11.01%	11.50%	440	30	8	5	18		6	7	6		1	13	2	1	5
11.51%	12.00%	356	14	4	1	12		3	4	4			12	2	1	5
12.01%	12.50%	318	19	7	1	8		4	6	1			12	2	1	2
12.51%	13.00%	294	14	5	4	9		3	3	3			10		1	3
13.01%	13.50%	276	14	3	5	8		4	3	6		1	10	1	1	1
13.51%	14.00%	240	14	10	5	8	2	3	4	3			8	1	1	4
14.01%	14.50%	219	10	3	2	4		2	6	3			10	1	1	1
14.51%	15.00%	228	12	4	2	9		4	1	6			8		1	2
15.01%	15.50%	171	6	1		6		1	3	3			7	1		
15.51%	16.00%	164	8	5	2	5		1	3	2			9		3	2
16.01%	16.50%	182	7	3	1	5		1	5	2			4	1		
16.51%	17.00%	153	9	2	1	4		1	3	1			7			
17.01%	17.50%	112	5	2		2		3					7		1	
17.51%	18.00%	113	5	2	2	3			1				4			
18.01%	18.50%	107	4	1	1	2		1	3	1			4			2
18.51%	19.00%	108	4	3	1	4		2		2			3			1
19.01%	19.50%	95	8	1		3							3			
19.51%	20.00%	75		3		2			3	3			3			
20.01%	20.50%	74	8			3							3			1
20.51%	21.00%	71	3		1	1		2					2			2
21.01%	21.50%	57	4	2	1				1				2			1
21.51%	22.00%	68	3	1	2	3		2					3			
22.01%	22.50%	56	3					1	1				3			
22.51%	23.00%	46	2	1	1	1				2			1			
23.01%	23.50%	36		1		2				1			4			
23.51%	24.00%	35	2					1		1						
24.01%	24.50%	38		1		1							2			2
24.51%	25.00%	27	2			1				2			1			1
25.01%	30.00%	165	11	1	1	5	1		1				5	2		1
30.01%	35.00%	89	6	2		1		6	3	1					1	1
35.01%	40.00%	29	2	1	1	1										
40.01%	45.00%	14	1	1									2	1		
45.01%	50.00%	7				2							1			
50.01%	100.00%	16		1		1				1			2			
Above 100%		3	2													

Tax Rates of Employers in Rate Class 40 with Tax Cap Removed

Number of Employers by Industry Sector

Washington State

		ALL INDUSTRY SECTORS	Services: Arts, Entertainment, Recreation	Services: Accommodation	Services: Food	Services: Personal, Laundry	Services: Private Household	Services: Religious, Grantmaking, Civic, Professional	Services: Repair, Maintenance	Public Administration
# Employers in Rate Class 40		13,242	107	75	135	48	2,474	134	251	7
from	to									
5.75%		1								
5.76%	6.00%	693	8	3	15	2	90	15	20	1
6.01%	6.25%	646	7	3	8	5	93	10	13	
6.26%	6.50%	606	5	4	11	1	86	13	17	
6.51%	6.75%	560	6	6	11	3	78	4	17	
6.76%	7.00%	537	8	5	11	2	78	7	17	
7.01%	7.25%	546	5	4	4	4	92	7	11	
7.26%	7.50%	453	6	4	5	4	70	4	18	
7.51%	7.75%	515	1	1	8	2	89	5	8	
7.76%	8.00%	448	1	4	6		87	7	7	1
8.01%	8.50%	806	8	5	11	5	148	9	11	
8.51%	9.00%	690	8	5	9	1	115	5	10	
9.01%	9.50%	680	3	4	5	3	138	5	13	1
9.51%	10.00%	555	3	2	6		105	6	7	
10.01%	10.50%	558	4	4	5		100	6	11	1
10.51%	11.00%	466	2	3	1	1	99	1	6	1
11.01%	11.50%	440	5	5	5	1	82	6	7	
11.51%	12.00%	356	2		1		65	3	6	1
12.01%	12.50%	318	3		1	3	60	2	5	
12.51%	13.00%	294	2	1	1	2	57	3	7	1
13.01%	13.50%	276	1	1		1	57	1	7	
13.51%	14.00%	240	2	2	1	2	48	1	5	
14.01%	14.50%	219	1	3			56		4	
14.51%	15.00%	228	2		1	1	49	2	1	
15.01%	15.50%	171	3	3	2		30	2	4	
15.51%	16.00%	164	2				36	2	2	
16.01%	16.50%	182	1				46			
16.51%	17.00%	153		2	2		43		1	
17.01%	17.50%	112				1	24		2	
17.51%	18.00%	113			1		24	2	1	
18.01%	18.50%	107			2		26		1	
18.51%	19.00%	108					26		4	
19.01%	19.50%	95		1			19		2	
19.51%	20.00%	75					29			
20.01%	20.50%	74	1				19		1	
20.51%	21.00%	71	2		1	1	21			
21.01%	21.50%	57					16	1	1	
21.51%	22.00%	68	1			2	19	1	1	
22.01%	22.50%	56	1			1	12			
22.51%	23.00%	46					11			
23.01%	23.50%	36					11			
23.51%	24.00%	35					13			
24.01%	24.50%	38					11		2	
24.51%	25.00%	27					6			
25.01%	30.00%	165	2				48	3	1	
30.01%	35.00%	89			1		37	1		
35.01%	40.00%	29					5			
40.01%	45.00%	14	1							
45.01%	50.00%	7								
50.01%	100.00%	16								
Above 100%		3								