**MEMORANDUM**

**DATE:** August 22, 2017

**TO:** Interested Parties

**FROM:** Christina Streuli, Agency Rules Coordinator

**SUBJECT:** Final Cost-Benefit Analysis for the Amendment to

WAC 192-310-010, What reports are required from an employer?

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**SUMMARY OF RULE**

The Employment Security Department (ESD) amended WAC 192-310-010, concerning information that must be provided by employers on their quarterly tax and wage reports.

Employers are currently required to provide each employee’s social security number on their quarterly tax and wage reports.

The major change to WAC 192-310-010:

* Allowing employers to file quarterly tax and wage reports using an employee’s Individual Taxpayer Identification Number (ITIN) in cases where the employee does not have a social security account number.

**INVOLVEMENT OF STAKEHOLDERS**

Stakeholder involvement included the following steps:

* E-mail to stakeholders announcing that the CR-101 proposed rule had been filed, attaching a copy of the proposed rule, inviting input and providing an agency contact, was distributed on May 24, 2017.
* Question received from a stakeholder, with response from ESD, on May 25, 2017.
* No additional input from stakeholders was received.

**SMALL BUSINESS ECONOMIC IMPACT STATEMENT – DETERMINATION OF NEED**

Chapter 19.85 RCW, The Regulatory Fairness Act, requires that the economic impact of proposed regulations be analyzed in relation to small businesses. The statute defines small businesses as those businesses that employ fifty or fewer people and are independently owned and operated. These proposed rules affect all businesses, including small businesses.

Preparation of a SBEIS is required when a proposed rule will impose more than minor costs on businesses in an industry. The department has analyzed the proposed rule amendments and concludes that they will not impose such costs on small businesses. The preparation of a comprehensive SBEIS is not required.

**EVALUATION OF PROBABLE COSTS AND PROBABLE BENEFITS**

It is arguable whether the amendments meet the definition of a “significant legislative rule” under RCW 34.05.328(1)(d). However, the department has analyzed the probable costs and probable benefits of the amendments, taking into account both the qualitative and quantitative benefits and costs.

**COSTS**

There are no costs from WAC 192-310-010 for a business that complies with Title 50 RCW to report and pay unemployment insurance taxes.

**BENEFITS**

Benefits resulting from adoption of the amendment include:

* Permits employers to timely report quarterly tax and wage reports using an ITIN when the employee does not have a social security number
* Ensures wages are assigned to the correct employee
* Avoids assessment of a penalty to the employer for filing an incomplete report
* Avoids staff time and related costs to waive penalties

**CONCLUSION**

The department concludes that the probable benefits of the rule amendment exceeds the probable costs. The department has complied with the appropriate sections of the Administrative Procedure Act and is prepared to proceed with the rule filing.

If you have any questions please email me at [cstreuli@esd.wa.gov](mailto:cstreuli@esd.wa.gov) or call (360) 902-9647.