

◆ Alaska Employer ◆

Alaska Department of Labor

Employment Security Tax

First Quarter 1999

JUNEAU CENTRAL OFFICE

1111 W. 8th St. Rm. 203
PO Box 25509
Juneau, AK 99802-5509
(907) 465-2757
Toll Free 1-888-448-3527
FAX (907) 465-2374

FIELD TAX OFFICES

Field Tax Representative
Toll Free 1-888-448-2937

Anchorage Field Tax
3301 Eagle St., Rm. 103
PO Box 92557
Anchorage, AK 99509-2557
(907) 269-4850
FAX (907) 269-4845

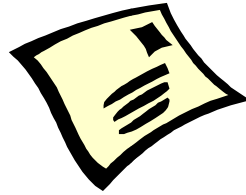
Fairbanks Field Tax
675 Seventh Ave.
Station L
Fairbanks, AK 99701-4595
(907) 451-2876
FAX (907) 451-2883

Juneau Field Tax
1111 W. Eighth St. Rm 203
PO Box 25509
Juneau, AK 99802-5509
(907) 465-2787
FAX (907) 465-2374

Kenai Field Tax
11312 Kenai Spur Hwy,
Suite 2
Kenai, AK 99611-9106
(907) 283-4478
FAX (907) 283 -5152

Wasilla Field Tax
877 Commercial Drive
Wasilla, AK 99654-6937
(907) 373-2682
FAX (907) 373-2683

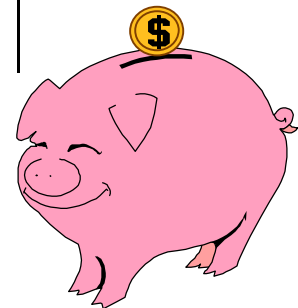
1999 Tax Rates Notices



Rate Notices for 1999 were mailed to all employers on December 1, 1998. The notice lists your 1999 rate and the new taxable wage base for 1999 of \$24,500. If you have not received your rate notice, please contact the Employer Account Unit in Juneau at 465-2757 or 1-888-448-3527.

What is the "taxable wage base?"

- The taxable wage base, which is recalculated each year, is 75% of the average annual wage in Alaska.
- 1999's taxable wage base is \$24,500, which is 75% of the average annual wage amount of \$32,690.
- The average annual wage for 1999 is computed from four quarters of wages reported from July 1, 1997, through June 30, 1998, and from the average number of employees for each quarter during this same time period.
- If an employee is transferred to Alaska with the same company, the employer must take credit for the taxable wages paid in the other state against Alaska's taxable wage base in the same calendar year.
- In some successorships, the wages paid to an employee by the predecessor can be combined with wages paid by the successor for the calendar year of acquisition to determine the taxable wage base limitation.
- Do not list the taxable wage amount for each employee on the wage schedule. Total reportable wages are listed on the wage schedule by employee's name and Social Security Number. The computation for non-taxable wages is listed as a total amount on Line 3 of the quarterly Contribution Report.



In addition to our toll free telephone number, you can e-mail us at: **ESD_TAX@labor.state.ak.us**

WOTC and W-T-W TAX CREDIT PROGRAMS EXTENDED

The Work Opportunity (**WOTC**) and Welfare-to-Work (**WtW**) tax credit programs have been extended through June 30, 1999. WOTC and WtW are federal programs that provide employers a tax credit as an incentive to hire job seekers from target groups that have traditionally faced barriers to employment.

WOTC offers a tax credit of up to \$2,400 while the WtW tax credit can be as much as \$3,500 for the first year, and up to \$5,000 for the second year. Employers must apply with the Department of Labor within **21 days** of the date of employment to qualify for the tax credit. The seven available target groups in Alaska are:



THE WOTC Target Groups:

1. **AFDC/ATAP recipients** - received benefits for 9 of last 18 months
2. **Food Stamp Recipient** – age 18-24, and received benefits for last 6 months
3. **Veteran** - a veteran that received Food stamps for a 3-month period
4. **Vocational Rehabilitation \ Referral**
5. **Ex-felon** –released within last 12 months and member of a low income family
6. **SSI Recipient** - received supplemental security income within the last 60 days

The WtW Target Group:

7. **Long-term Family Assistance Recipient** –received AFDC/ATAP for last 18 months.

For information:

Tele (907) 465 – 5925 or
Fax: (907) 465 - 8753

E-mail:

Bill_Ehlers@labor.state.ak.us

Internet:

<http://www.labor.state.ak.us/wotc/wotc.htm>

For Forms:

Use Fax-on-Demand:
(703) 365-0768
(make request from a fax machine)

Questions and Answers

Are the wages/salaries/draws paid to corporate officers, partners, sole proprietors, and LLC managers reportable for UI taxes?

If you don't know the answer for sure, check below for the correct way to report.

Corporate Officers - Corporate officer wages for corporations formed under Alaska Statute 10.06 are not covered for unemployment, and should **not** be listed on the wage schedule portion of the Employer's Quarterly Contribution Report **or** be included in the total wages on Line 2 of the report. (Non-profit organizations and financial institutions are not incorporated under AS 10.06 and any corporation officer wages for these entities must be reported.)

Corporations that have an approved *election of coverage* on file for their corporate officers should list each corporate officer's wages as for any other employee. Corporate officers who have elected coverage are subject to the same reporting requirements and taxable wage base until such time as coverage is ended. Coverage may be ended by written notification no later than March 15 of the year for which termination is requested.

Partners and Sole

Proprietorship - Neither partners nor sole proprietors are covered for unemployment, and neither may elect coverage. Partners and sole proprietors are

considered self-employed, working for the profit (loss) of the business, not for wages. Even though they may be drawing a salary during the year, this is actually a draw against the profits of the business.

Limited Liability Company (LLC)

- A Limited Liability Company can have a member working as a manager or a non-member employed as a manager. A non-member manager is considered an employee and wages paid to a non-member manager are covered for ES Tax purposes and subject to the same reporting requirements and taxable wage base as other employees.

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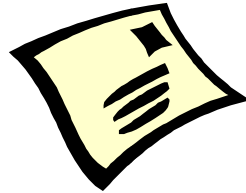
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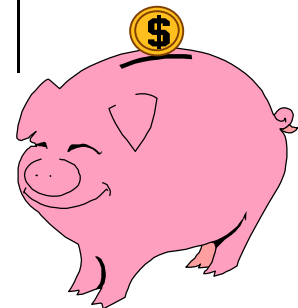
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