

Alaska Employer

Alaska Department of Labor and Workforce Development

Employment Security Tax

Second Quarter 2001

Tony Knowles, Governor

Ed Flanagan, Commissioner

Ronald E. Hull, Director

JUNEAU CENTRAL OFFICE

1111 W. Eighth Street
Rm. 203
P.O. Box 25509
Juneau, AK 99802-5509
(907) 465-2757
Toll Free 1-888-448-3527
FAX (907) 465-2374
Email: esd_tax@labor.state.ak.us
TDD - Relay Alaska Operator
1-800-770-8973

ES TAX OFFICES

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

Anchorage ES Tax
3301 Eagle St., Rm. 103
P.O. Box 241767
Anchorage, AK 99524-1767
(907) 269-4850
FAX (907) 269-4845

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

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

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

Nome ES Tax
197 Front St., Rm 319
P.O. Box 1589
Nome, AK 99762-1589
(907) 443-3037
FAX (907) 443-3038

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

Avoid a Penalty Rate for the Year 2002

The annual rating process will begin in October for calendar year 2002. As an employer, you want the lowest possible tax rate, so three situations are described here to help avoid the 5.92% penalty rate assigned for calendar year 2002:

1. Failure to pay unemployment insurance taxes, including penalties and interest

If the outstanding balance on your employer account is \$100 or more for the quarter ending June 30, 2001, or for any quarters prior to this, your account will be assigned the penalty rate.

2. Failure to file reports

If you do not file a report, ES Tax will file an estimated report for the quarter and the account will be penalty-rated, even if you pay the amount due on the estimated report.

3. Predecessor fails to file reports or pay balance due

If you purchased your business and the previous owner's (predecessor) account owes \$100 or more, your (successor) account will receive a penalty rate.

As a precaution, Employment Security Tax will mail a certified letter the first part of October notifying that you have 10 days to clear up any account delinquencies. This will give you the opportunity to fix any mistakes prior to rates being set for calendar year 2002.

Protect your good rate early! If you have a balance due on your account, please contact your field auditor at 1-888-448-2937. In some situations your auditor can set up a **deferred payment contract** that will prevent a penalty rate for the year 2002.

If you would like more information about Employment Security Tax rates, review the Employment Security Tax Handbook located at: www.labor.state.ak.us/estax/taxbook.pdf or contact Juneau Central Office using this toll-free telephone number: 1-888-448-3527.

Want to Learn More About ES Tax, and Get Your Questions Answered?

Employment Security Tax presents tax workshops at no charge to employers, bookkeepers, accountants and other interested parties. The workshops are led by a staff of expert Tax Field Auditors, and provide the most up-to-date information concerning the ES Tax program.

Workshop participants receive handouts of the latest Tax publications and forms and are encouraged to ask questions in a relaxed atmosphere. A group or organization may request that a workshop be customized for their particular needs. To inquire about a workshop in your area or for your organization, please contact your nearest Employment Security Tax Office listed on the front page of this newsletter.



Anchorage Field Tax Office offers workshops jointly with the Internal Revenue Service, sponsored by the Small Business Development Center. Phone: (907) 274-7232.

When: 2nd Wednesday of Every Month

Time: 8:30 AM to 4:00 PM

Where: Anchorage Employment Security Tax
3301 Eagle Street, Room 101

ATTENTION EMPLOYERS!

Employment Security Tax is required by state law to maintain separate accounts for each **employing unit**. Aggregation of reports, as in "pay-rolling," "common paymaster," or "employee leasing," is prohibited under Alaska Statute 23.20.180. Please contact your nearest Employment Security Tax Office if you have questions or concerns regarding your reporting requirements.

ATTENTION BEAUTY SALON OWNERS!

Beauty operators hired to work in your salon are normally considered your employees for Alaska unemployment tax purposes. In order to be excluded from coverage, all the criteria of Alaska Statute 23.20.525(a)(10)(A, B, C) must be met. The fact that the customer is paying the beauty operator directly or that the operator receives a commission are not in themselves determining factors in meeting the test for exclusion under the law. Also, beauty operators cannot waive their rights to unemployment benefits by entering a contractual agreement with the salon owner. Please contact your nearest ES Tax Office to obtain more information about whether your beauty operators should be reported for unemployment tax purposes.

