



**Public Hearing Testimony of
Sharon Palmer, Commissioner
Department of Labor
Labor and Public Employees Committee
February 26, 2013**

Good Afternoon Senator Osten, Representative Tercyak, Senator Markley, Representative Smith and members of the Labor and Public Employees Committee. Thank you for the opportunity to provide you with testimony regarding **House Bill 6452, AAC the Requirement for the Electronic Filing of Quarterly Unemployment Tax Returns**. My name is Sharon Palmer and I am the Labor Commissioner.

This proposal will increase the efficiency of the Unemployment Insurance Tax and Benefit operations by improving the timeliness of the posting of tax and wage data. It will minimize our banking and data entry costs by eliminating paper tax returns, wage reports and checks. Timely posting of tax and wage data will expedite the timely payment of unemployment insurance benefits and will expedite the timely posting of tax payments enabling the Department to produce accurate billing statements to employers.

The Department of Revenue Services, in their statutes, offers an employer the option to opt out of the electronic filing if such filing would cause an undue hardship. It is our intent to review that statute and incorporate a similar provision into this proposal.

Currently, approximately 35,000 to 40,000 employers, which represent 40% of the total number of employers reporting, file paper tax returns and wage reports per quarter. Given that our data entry costs are approximately \$200,000 annually, passage of this proposal could produce cost savings.

Thank you for this opportunity to provide testimony here today. I am available to answer any questions you may have.

