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Governor Sean Parnell
STATE OF ALASKA

January 17, 2013

The Honorable Charlie Huggins
President of the Senate
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Huggins,

To keep our state strong, we are working for small business growth. One way to grow Alaskan opportunity is to assure that Alaskans and business owners in our state do not have to pay more to State government in unemployment insurance taxes than necessary. I am submitting legislation to accomplish that goal. Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the unemployment trust fund account that will meet federal compliance requirements, ensure that the unemployment insurance (UI) fund remains solvent, and minimize the burden for employers and employees.

Alaska law currently provides for automatic increases in unemployment insurance contributions from Alaskan workers and business owners, even when Alaska's unemployment insurance fund is solvent without the increase. This legislation prevents overtaxing for UI contributions while safeguarding the solvency of the fund. It gives the Commissioner of the Department of Labor and Workforce Development (DOI.WD) the authority to eliminate or reduce increases in unemployment insurance tax rates when appropriate, based on standards to ensure the actuarial soundness of the unemployment trust fund.

Additionally, the bill allows for greater efficiencies by giving DOI.WD the authority to permit electronic filing. It also provides that the department may offset covered unemployment compensation debt against a claimant's federal income tax refund and clarifies participation in the federal treasury offset program.

This simple reform will allow Alaska's small and mid-sized businesses to grow and create more jobs for the prosperity of all Alaskans.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in blue ink that reads "Sean Parnell".

Sean Parnell
Governor

Enclosure