



Senate Bill 217

Sectional Analysis

"An Act relating to employer contributions to the unemployment compensation fund; establishing an employer contribution for the state training and employment program; and providing for an effective date."

Section 1: AS 23.15.630 – amends by adding new subsections (d) and (e).

- AS 23.15.360(d) establishes a 0.4 percent tax to be appropriated to the employment assistance and training program account established in AS 23.15.625, which is used for the State Training and Employment Program (STEP).
- AS 23.15.360(e) establishes credits to employer taxes established in subsection (d) in an amount equal to the contributions paid by the employer under AS 23.20.290(c), with language to ensure credits do not result in the tax liability under (d) going below zero.

Section 2: AS 23.20.290(c) – removes the minimum contribution rate of one percent for employers with more than one year of experience, clarifying that the employer tax rate cannot go below zero, and changing experience factor for rate class 1 from 0.4 to 0.0.

Section 3: effective January 1, 2027.