



The Truth About Staffing Companies

Staffing Association of Washington

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Staffing companies help bring together people ready to work and employers ready to hire.

What is Staffing?

- Staffing companies provide short and long term employment for workers in all career paths—which includes administrative support, accounting, human resources, skilled or technical professions and many others. The majority of staffing companies are small locally run businesses.
- The average wage for entry level workers is \$12 an hour; technical and specialized workers often earn more than their permanent counterparts at a job site.
- The majority of staffing companies provide benefits to their employees—health insurance, paid vacation and holidays, and pension plans in order to remain competitive in the workplace.
- Over half the workers employed by staffing companies find permanent work through staffing companies — 67,792 workers found permanent work in Washington state in 2006.
- Staffing companies do NOT charge their employees for placement. All fees are paid by the customer of the staffing company. The worker pays nothing.

B&O Tax & Staffing

- Since 2002, Staffing Companies have been required to pay B&O taxes on the money collected from their customers to pay workers' salaries, even though the Staffing Companies are simply passing-through that money.
- Staffing Companies are required to file separate B&O tax forms for each different category a worker is placed. For example, if a staffing company places workers in areas of administrative work, stevedoring, and assembly line work, the staffing company must report and pay a different excise tax on the gross receipts for each of those categories.
- Staffing companies are paying taxes on the gross receipts, without deductions for payroll expenses, for each specific category a worker was placed. Some staffing companies are now filing up to 30 different excise tax reports per period.
- Staffing companies provide only staffing, they are not in the business of the different categories of their employees classification.

According to a 2006 Survey of temporary workers

- 66% said flexible work time was an important factor in their decision to become a contract/temporary employee
- 33% said they like the diversity and challenge of different jobs
- 23% report they have little or no interest in a permanent job
- 65% noted they developed new or improved work skills through their temporary assignments
- 40% chose temporary work as a path to obtain experience or job training

Did You Know?

- 90% of staffing companies provide free training to their workers
- Over 50% of temporary assignments lead to permanent employment in 2006
- 67,792 temporary workers found permanent jobs through staffing firms in 2006

Please Support SB 5758

SB 5758 corrects a taxing problem for the Staffing Companies, and allows them to accurately pay their B&O taxes at an appropriate, flat rate based on their core business; staffing.