

# FINAL BILL REPORT

## SSB 5781

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### PARTIAL VETO

C 402 L 99

Synopsis as Enacted

**Brief Description:** Extending the commute trip tax reduction credit.

**Sponsors:** Senate Committee on Transportation (originally sponsored by Senators Eide, Swecker, Fraser and Costa; by request of Department of Ecology).

**Senate Committee on Transportation**

**House Committee on Transportation**

**Background:** Major employers (100 or more employees) in the state's nine largest counties are currently required to implement commute trip reduction programs to reduce the number of their employees traveling by single-occupant vehicles to their work sites.

To help reduce congestion, improve air quality and assist employers in efforts to provide incentives for employees to carpool, the Legislature has authorized business and occupation and public utility tax credits for employers throughout the state if they provide financial incentives to their employees for ride sharing in car pools, public transportation and non-motorized commuting. Employers may apply for a tax credit of up to \$60 per person per year or up to 50 percent of the financial incentive, whichever is less. The incentive provided to the employee by the employer must be at least double the tax credit claimed. There is a limit of \$100,000 per employer per year.

There is a cap on total credits of \$1.5 million per year. The tax credit is funded through the air pollution control account and the tax credit sunsets December 31, 2000.

**Summary:** The tax credit for which employers are eligible, by providing financial incentives to their employees to ride share or use other transportation alternatives to the single occupant vehicle, are extended from December 31, 2000, to December 31, 2006.

The maximum obligation of both accounts combined, for the business and occupation tax and the public utility tax credit, is increased from \$1.5 million to \$2.25 million each calendar year. Funding for such incentives from the air pollution control account is up to \$1.5 million per year. The remainder of funds are from the transportation account and the public transportation systems account, in equal amounts, and subject to appropriation.

The use of the public transportation systems account is broadened to include funding tax credits for commute trip reduction.

The tax credit is extended to property managers who provide financial incentives for commute trip reduction programs at their properties.

**Votes on Final Passage:**

Senate	43	3	
House	85	8	(House amended)
Senate	37	4	(Senate concurred)

**Effective:** July 25, 1999

**Partial Veto Summary:** The extension of the sunset on tax credits from December 31, 2000 to December 31, 2006 is eliminated.

The emergency clause causing the bill to take effect July 1, 1999 is removed.