

5781-S

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

Brief Title: Extending the commute trip tax reduction credit.

**SB 5781-S - DIGEST**

(DIGEST AS ENACTED)

Extends the commute trip tax reduction credit to June 30, 2006.

Provides that property managers who are taxable under chapters 82.04 and 82.16 RCW and provide financial incentives to persons employed at a worksite managed by the property manager in this state for ride sharing, for using public transportation, or for using nonmotorized commuting before June 30, 2006, shall be allowed a credit for amounts paid to or on behalf of these persons for ride sharing in vehicles carrying two or more persons, for using public transportation, or for using nonmotorized commuting, not to exceed sixty dollars per person per year. A person may not take a credit under this section for amounts claimed for credit by other persons.

Directs the department to keep a running total of all credits granted under RCW 82.04.4453 and 82.16.048 during each calendar year, and shall disallow any credits that would cause the tabulation for any calendar year to exceed two million two hundred twenty-five thousand dollars, or the amount provided from the air pollution control account and the appropriations from the transportation account and the public transportation systems account, whichever is less.

VETO MESSAGE ON SB 5781-S

May 18, 1999

To the Honorable President and Members,  
The Senate of the State of Washington  
Ladies and Gentlemen:

I am returning herewith, without my approval as to sections 6, 7, and 8, Substitute Senate Bill No. 5781 entitled:

"AN ACT Relating to the commute trip reduction tax credit;"

Substitute Senate Bill No. 5781 extends the commute trip reduction (CTR) tax credit to June 30, 2006 and continues the current policy of using the Air Pollution Control Account (APCA) to reimburse the State General Fund for the first \$1.5 million of tax credits given each year.

Sections 6 and 7 of the bill would extend the entire CTR tax credit program to December 31, 2006. Based upon the last proposed legislative transportation budget, this bill as drafted, combined with the operating budget for the 1999-2001 biennium, creates a shortfall in the APCA of between \$1.3 million and \$2.4 million in the next biennium.

I support extension of the CTR tax credit as a means of reducing traffic congestion. However, I cannot in good faith

support the long-term implementation of the statutory changes contained in sections 1 through 5 of this bill unless the legislature also provides a solution to the projected deficit in the APCA.

The deficit in the APCA could result in increases in air pollution because of reduced technical assistance, voluntary compliance, and monitoring efforts. The state's margin of safety in healthy air standards in some areas is already in jeopardy due to our inability to adequately track and respond to changes in air pollution emissions. In the central Puget Sound region and the city of Vancouver, for example, the margin of safety for ozone pollution is one percent of current emissions. A return to non-attainment of the ozone standard is already extremely likely in light of the separate overall ten percent reduction in the Department of Ecology's current level of effort. A shortfall in the APCA would exacerbate this problem.

For areas that fall into non-attainment, we risk losing several million dollars of federal air pollution control grant money and hundreds of millions in federal transportation funds for expanding roadway capacity. We could be forced to restrict business growth when air quality fails to meet federal standards. We risk more federal intervention and less local control of air quality decisions, not to mention increasing costs to businesses to implement tighter federal controls.

I am directing the Office of Financial Management to work with the Department of Ecology, Department of Transportation, Legislative Transportation Committee, Senate Ways and Means Committee, and House Appropriations Committee to develop a workable proposal for funding the APCA and the CTR tax credit program, for implementation during the 2000 regular legislative session.

Section 8 of the bill is an unnecessary emergency clause that would require this bill to take effect July 1, 1999.

For these reasons, I have vetoed sections 6, 7, and 8 of Substitute Senate Bill No. 5781.

With the exception of sections 6, 7, and 8, Substitute Senate Bill No. 5781 is approved.

Respectfully submitted,  
Gary Locke  
Governor