

---

HOUSE BILL 1988

---

State of Washington

57th Legislature

2001 Regular Session

By Representatives Mitchell, Fisher, Simpson, Ogden, Schual-Berke, Conway, Kenney, Hurst, Kagi, Wood and McIntire; by request of Office of Financial Management

Read first time 02/12/2001. Referred to Committee on Transportation.

1 AN ACT Relating to commute trip reduction incentives; adding new  
2 sections to chapter 82.04 RCW; adding new sections to chapter 82.16  
3 RCW; adding a new section to chapter 70.94 RCW; prescribing penalties;  
4 providing a contingent effective date; and providing expiration dates.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 82.04 RCW  
7 to read as follows:

8 (1)(a) Employers in this state who are taxable under this chapter  
9 and provide financial incentives to their own or other employees for  
10 ride sharing, for using public transportation, for using car sharing,  
11 or for using nonmotorized commuting before June 30, 2006, shall be  
12 allowed a credit for amounts paid to or on behalf of employees for ride  
13 sharing in vehicles carrying two or more persons, for using public  
14 transportation, for using car sharing, or for using nonmotorized  
15 commuting, not to exceed sixty dollars per employee per year.

16 (b) Property managers who are taxable under this chapter and  
17 provide financial incentives to persons employed at a worksite in this  
18 state managed by the property manager for ride sharing, for using  
19 public transportation, for using car sharing, or for using nonmotorized

1 commuting before June 30, 2006, shall be allowed a credit for amounts  
2 paid to or on behalf of these persons for ride sharing in vehicles  
3 carrying two or more persons, for using public transportation, for  
4 using car sharing, or for using nonmotorized commuting, not to exceed  
5 sixty dollars per person per year. A person may not take a credit  
6 under this section for amounts claimed for credit by other persons.

7 (c) The credit shall be equal to the amount paid to or on behalf of  
8 each employee multiplied by fifty percent, but may not exceed sixty  
9 dollars per employee per year. The credit may not exceed the amount of  
10 tax that would otherwise be due under this chapter.

11 (2) Application for tax credit under this section may only be made  
12 in the form and manner prescribed in rules adopted by the department.

13 (3) The credit shall be taken against taxes due for the same  
14 calendar year in which the amounts for which credit is claimed were  
15 paid to or on behalf of employees for ride sharing, for using public  
16 transportation, for using car sharing, or for using nonmotorized  
17 commuting and must be claimed by the due date of the last tax return  
18 for the calendar year in which the payment is made.

19 (4) The director shall on the 25th of February, May, August, and  
20 November of each year advise the state treasurer of the amount of  
21 credit taken during the preceding calendar quarter ending on the last  
22 day of December, March, June, and September, respectively.

23 (5) On the first of April, July, October, and January of each year,  
24 the state treasurer based upon information provided by the department  
25 shall deposit to the general fund a sum equal to the dollar amount of  
26 the credit provided under subsection (1) of this section from the  
27 multimodal transportation account.

28 (6) The commute trip reduction task force shall determine the  
29 effectiveness of this tax credit as part of its ongoing evaluation of  
30 the commute trip reduction law and report to the legislative  
31 transportation committee and to the fiscal committees of the house of  
32 representatives and the senate. The report shall include information  
33 on the amount of tax credits claimed to date and recommendations on  
34 future funding for the tax credit program. The report shall be  
35 incorporated into the recommendations required in RCW 70.94.537(5).

36 (7) Any person who knowingly makes a false statement of a material  
37 fact in the application for a credit under subsection (1) of this  
38 section is guilty of a gross misdemeanor.

1 (8) A person may not receive credit for amounts paid to or on  
2 behalf of the same employee under both this section and section 4 of  
3 this act.

4 (9) This section expires December 31, 2006.

5 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04 RCW  
6 to read as follows:

7 (1) The department shall keep a running total of all credits  
8 granted under sections 1 and 4 of this act and all grants provided  
9 under section 6 of this act during each calendar year, and shall  
10 disallow any credits that would cause the tabulation for credits and  
11 grants in any calendar year to exceed five million dollars.

12 (2) No person is eligible for tax credits under sections 1 and 4 of  
13 this act in excess of one hundred thousand dollars in any calendar  
14 year.

15 (3) No person is eligible for tax credits under section 1 of this  
16 act in excess of the amount of tax that would otherwise be due under  
17 this chapter.

18 (4) No portion of an application for credit disallowed under this  
19 section may be carried back or carried forward.

20 (5) No person is eligible for tax credits under sections 1, 4, and  
21 6 of this act within the same calendar year.

22 (6) This section expires December 31, 2006.

23 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.04 RCW  
24 to read as follows:

25 The definitions set forth in this section apply to sections 1, 2,  
26 4, 5, and 6 of this act unless the context clearly requires otherwise.

27 (1) "Public agency" means any county, city, or other local  
28 government agency or any state government agency, board, or commission.

29 (2) "Public transportation" means the same as "public  
30 transportation service" as defined in RCW 36.57A.010 and includes  
31 passenger services of the Washington state ferries.

32 (3) "Nonmotorized commuting" means commuting to and from the  
33 workplace by an employee by walking or running or by riding a bicycle  
34 or other device not powered by a motor.

35 (4) "Ride sharing" means the same as "commuter ride sharing" as  
36 defined in RCW 46.74.010, including ride sharing on Washington state  
37 ferries.

1 (5) "Car sharing" means a membership program intended to offer an  
2 alternative to car ownership under which persons or entities that  
3 become members are permitted to use vehicles from a fleet on an hourly  
4 basis.

5 (6) This section expires December 31, 2006.

6 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.16 RCW  
7 to read as follows:

8 (1)(a) Employers in this state who are taxable under this chapter  
9 and provide financial incentives to their own or other employees for  
10 ride sharing, for using public transportation, for using car sharing,  
11 or for using nonmotorized commuting before June 30, 2006, shall be  
12 allowed a credit for amounts paid to or on behalf of employees for ride  
13 sharing in vehicles carrying two or more persons, for using public  
14 transportation, or for using nonmotorized commuting, not to exceed  
15 sixty dollars per employee per year.

16 (b) Property managers who are taxable under this chapter and  
17 provide financial incentives to persons employed at a worksite in this  
18 state managed by the property manager for ride sharing, for using  
19 public transportation, for using car sharing, or for using nonmotorized  
20 commuting before June 30, 2006, shall be allowed a credit for amounts  
21 paid to or on behalf of these persons for ride sharing in vehicles  
22 carrying two or more persons, for using public transportation, for  
23 using car sharing, or for using nonmotorized commuting, not to exceed  
24 sixty dollars per person per year. A person may not take a credit  
25 under this section for amounts claimed for credit by other persons.

26 (c) The credit shall be equal to the amount paid to or on behalf of  
27 each employee multiplied by fifty percent, but may not exceed sixty  
28 dollars per employee per year. The credit may not exceed the amount of  
29 tax that would otherwise be due under this chapter.

30 (2) Application for tax credit under this section may only be made  
31 in the form and manner prescribed in rules adopted by the department.

32 (3) The credit shall be taken against taxes due for the same  
33 calendar year in which the amounts for which credit is claimed were  
34 paid to or on behalf of employees for ride sharing, for using public  
35 transportation, for using car sharing, or for using nonmotorized  
36 commuting and must be claimed by the due date of the last tax return  
37 for the calendar year in which the payment is made.

1 (4) The director shall on the 25th of February, May, August, and  
2 November of each year advise the state treasurer of the amount of  
3 credit taken during the preceding calendar quarter ending on the last  
4 day of December, March, June, and September, respectively.

5 (5) On the first of April, July, October, and January of each year,  
6 the state treasurer based upon information provided by the department  
7 shall deposit to the general fund a sum equal to the dollar amount of  
8 the credit provided under subsection (1) of this section from the  
9 multimodal transportation account.

10 (6) The commute trip reduction task force shall determine the  
11 effectiveness of this tax credit as part of its ongoing evaluation of  
12 the commute trip reduction law and report to the legislative  
13 transportation committee and to the fiscal committees of the house of  
14 representatives and the senate. The report shall include information  
15 on the amount of tax credits claimed to date and recommendations on  
16 future funding for the tax credit program. The report shall be  
17 incorporated into the recommendations required in RCW 70.94.537(5).

18 (7) Any person who knowingly makes a false statement of a material  
19 fact in the application for a credit under subsection (1) of this  
20 section is guilty of a gross misdemeanor.

21 (8) A person may not receive credit for amounts paid to or on  
22 behalf of the same employee under both this section and section 1 of  
23 this act.

24 (9) This section expires December 31, 2006.

25 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.16 RCW  
26 to read as follows:

27 (1) The department shall keep a running total of all credits  
28 granted under sections 1 and 4 of this act and all grants provided  
29 under section 6 of this act during each calendar year, and shall  
30 disallow any credits that would cause the tabulation for credits and  
31 grants in any calendar year to exceed five million dollars.

32 (2) No person is eligible for tax credits under sections 1 and 4 of  
33 this act in excess of one hundred thousand dollars in any calendar  
34 year.

35 (3) No person is eligible for tax credits under section 4 of this  
36 act in excess of the amount of tax that would otherwise be due under  
37 this chapter.

1 (4) No portion of an application for credit disallowed under this  
2 section may be carried back or carried forward.

3 (5) No person is eligible for tax credits under sections 1, 4, and  
4 6 of this act within the same calendar year.

5 (6) This section expires December 31, 2006.

6 NEW SECTION. **Sec. 6.** A new section is added to chapter 70.94 RCW  
7 to read as follows:

8 (1) The department of transportation shall administer a grant  
9 program for public agencies, nonprofit organizations, developers, and  
10 property managers who provide financial incentives for ride sharing in  
11 vehicles carrying two or more persons, for using public transportation,  
12 for using car sharing, or for using nonmotorized commuting, before June  
13 30, 2006, to their own or other employees.

14 (2) Public agencies, nonprofit organizations, developers, and  
15 property managers are not eligible within the same calendar year for  
16 grants provided under this section and credits under section 1 or 4 of  
17 this act.

18 (3) The amount of the grant is equal to the amount paid to or on  
19 behalf of each employee multiplied by fifty percent, but may not exceed  
20 sixty dollars per employee per year.

21 (4) No public agency, nonprofit organization, developer, or  
22 property manager is eligible for grants under this section in excess of  
23 one hundred thousand dollars in any calendar year.

24 (5) No more than two million dollars in grants may be awarded in  
25 any calendar year.

26 (6) The department of transportation shall report to the department  
27 of revenue by the 15th day of each month the aggregate monetary amount  
28 of grants provided under this section in the prior month and the  
29 identity of the recipients of those grants.

30 (7) The total of credits granted under sections 1 and 4 of this act  
31 and grants provided under this section may not exceed five million  
32 dollars in any calendar year. The department of revenue shall notify  
33 the department of transportation when this limitation has been reached.

34 (8) The source of funds for this grant program is the multimodal  
35 transportation account.

36 (9) This section expires December 31, 2006.

1        NEW SECTION.    **Sec. 7.**    This act takes effect January 1, 2002, if  
2 specific funding necessary to fulfill the purposes of this act is  
3 provided to the multimodal transportation account by December 31, 2001.  
4 If funding is not provided, this act is void in its entirety.

--- END ---