
SENATE BILL 5169

State of Washington **57th Legislature** **2001 Regular Session**

By Senators Jacobsen, Finkbeiner and Eide

Read first time 01/12/2001. Referred to Committee on Transportation.

1 AN ACT Relating to tax incentives to encourage telework; adding
2 a new section to chapter 82.04 RCW; adding a new section to
3 chapter 82.16 RCW; creating a new section; and providing an
4 effective date.

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

6 NEW SECTION. **Sec. 1.** The legislature recognizes that commuting
7 accounts for more trips and miles traveled than any other single
8 purpose. The legislature also recognizes that telework has been
9 found to reduce commute trips and provide flexibility for work-
10 related travel. Additionally, telework enables employers to allow
11 employees to work outside of urban areas, which reduces urban
12 commute trips while strengthening rural economies. The legislature
13 further recognizes that telework is a key component in a
14 comprehensive transportation demand management package.

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

17 (1) An employer is allowed a credit against tax due under this

1 chapter for telework expenditures, including telework equipment,
2 installation costs, and telework training. A credit claimed under
3 this section may not exceed the amount of tax that would otherwise
4 be due under this chapter. The credit must be claimed in the year
5 in which the expenditure is made. The employer must make the
6 expenditure the year in which the credit is approved by the
7 department. Approved credit may not be carried over to subsequent
8 calendar years. The credit must be claimed by the due date of the
9 last tax return for the calendar year in which the expenditure is
10 made. Any unused credit expires. A refund may not be given in place
11 of a credit. Total credits claimed by a person under this section
12 and section 3 of this act may not exceed twenty thousand dollars
13 for any tax year. Expenditures made before the effective date of
14 this act are not eligible for credit. If a person has used a credit
15 approved under section 3 of this act against tax under chapter
16 82.16 RCW, that same credit cannot be used against tax under this
17 chapter.

18 (2) Application for credits under this section must be made
19 before making a telework expenditure. Applications must be made to
20 the department in a form and manner as required by the
21 department. The department shall approve or deny applications for
22 credits using the criteria under this subsection. The department
23 shall keep a running total of all credits approved under this
24 subsection during each calendar year, and shall deny any credit
25 application that would cause the tabulation for any calendar year
26 to exceed three million dollars. A person claiming a credit must
27 keep records as necessary for the department to verify eligibility
28 under this section, including records showing that an employee was
29 regularly scheduled to telework from his or her home two or more
30 days per week.

31 (3) The definitions in this subsection apply for the purposes
32 of this section.

33 (a) "Telework" means a work arrangement whereby employees are
34 regularly scheduled two or more days per week to perform the
35 normal duties and responsibilities of their positions at locations
36 other than the traditional workplace, through use of computers or
37 telecommunications. The term includes only work arrangements made

1 by employers for employees and excludes persons who are self-
2 employed.

3 (b) "Telework equipment" means:

4 (i) Desktop and laptop computers, computer-related hardware,
5 facsimile machines, modems, and similar data processing or
6 telecommunication equipment used only at an alternate worksite,
7 including an employee's home for telework purposes; and

8 (ii) Equipment installed at an employer's place of business
9 that is used exclusively to provide remote data and voice access
10 to telework employees.

11 (c) "Telework expenditures" means amounts spent, including
12 sales or use taxes paid, to purchase telework equipment or for
13 telework installation costs. The term includes only expenditures
14 for equipment and services reasonably necessary to facilitate
15 telework.

16 (d) "Telework installation costs" means one-time expenditures
17 for installation of telecommunication access lines at an
18 employee's home for the purpose of telework.

19 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.16
20 RCW to read as follows:

21 An employer is allowed a credit against tax due under this
22 chapter for telework expenditures, as defined in section 2 of this
23 act. A credit may be claimed under this section in the same manner
24 as provided for credits under section 2 of this act. Credits under
25 this section are subject to the same conditions and limitations as
26 credits under section 2 of this act.

27 NEW SECTION. **Sec. 4.** This act takes effect October 1, 2001.

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