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HOUSE BILL 2687

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State of Washington                      63rd Legislature                      2014 Regular Session

By Representatives Farrell, Riccelli, Ryu, and Fey

Read first time 01/27/14. Referred to Committee on Transportation.

1            AN ACT Relating to extending and modifying the commute trip  
2 reduction tax credit; amending RCW 82.70.900, 82.70.020, 82.70.025,  
3 82.70.040, and 82.70.060; and providing expiration dates.

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

5            **Sec. 1.** RCW 82.70.900 and 2013 c 306 s 720 are each amended to  
6 read as follows:

7            This chapter expires July 1, (~~2014~~) 2017, except for RCW  
8 82.70.050, which expires January 1, (~~2015~~) 2018.

9            **Sec. 2.** RCW 82.70.020 and 2013 c 306 s 718 are each amended to  
10 read as follows:

11            (1) Employers in this state who are taxable under chapter 82.04 or  
12 82.16 RCW and provide financial incentives to their own or other  
13 employees for ride sharing, for using public transportation, for using  
14 car sharing, or for using nonmotorized commuting before (~~July 1,~~  
15 ~~2014~~) January 1, 2017, are allowed a credit against taxes payable  
16 under chapters 82.04 and 82.16 RCW for amounts paid to or on behalf of  
17 employees for ride sharing in vehicles carrying two or more persons,

1 for using public transportation, for using car sharing, or for using  
2 nonmotorized commuting, not to exceed sixty dollars per employee per  
3 fiscal year.

4 (2) Property managers who are taxable under chapter 82.04 or 82.16  
5 RCW and provide financial incentives to persons employed at a worksite  
6 in this state managed by the property manager for ride sharing, for  
7 using public transportation, for using car sharing, or for using  
8 nonmotorized commuting before (~~July 1, 2014~~) January 1, 2017, are  
9 allowed a credit against taxes payable under chapters 82.04 and 82.16  
10 RCW for amounts paid to or on behalf of these persons for ride sharing  
11 in vehicles carrying two or more persons, for using public  
12 transportation, for using car sharing, or for using nonmotorized  
13 commuting, not to exceed sixty dollars per person per fiscal year.

14 (3) The credit under this section is equal to the amount paid to or  
15 on behalf of each employee multiplied by fifty percent, but may not  
16 exceed sixty dollars per employee per fiscal year. No refunds may be  
17 granted for credits under this section.

18 (4) A person may not receive credit under this section for amounts  
19 paid to or on behalf of the same employee under both chapters 82.04 and  
20 82.16 RCW.

21 (5) A person may not take a credit under this section for amounts  
22 claimed for credit by other persons.

23 **Sec. 3.** RCW 82.70.025 and 2005 c 297 s 2 are each amended to read  
24 as follows:

25 (1) Application for tax credits under this chapter must be received  
26 by the department between the first day of January and the 31st day of  
27 January, following the calendar year in which the applicant made  
28 payments to or on behalf of employees for ride sharing in vehicles  
29 carrying two or more persons, for using public transportation, for  
30 using car sharing, or for using nonmotorized commuting. The  
31 application (~~shall~~) must be made to the department in a form and  
32 manner prescribed by the department. The application (~~shall~~) must  
33 contain information regarding the number of employees for which  
34 incentives are paid during the calendar year, the amounts paid to or on  
35 behalf of employees for ride sharing in vehicles carrying two or more  
36 persons, for using public transportation, for using car sharing, or for  
37 using nonmotorized commuting, (~~the amount of credit deferred under RCW~~

1 ~~82.70.040(2)(b)(i) to be used, and other information required by the~~  
2 ~~department. For applications due by January 31, 2006, the application~~  
3 ~~shall not include amounts paid from January 1, 2005, through June 30,~~  
4 ~~2005, to or on behalf of employees for ride sharing in vehicles~~  
5 ~~carrying two or more persons, for using public transportation, for~~  
6 ~~using car sharing, or for using nonmotorized commuting)) and other~~  
7 ~~information required by the department.~~

8 (2) The department (~~shall~~) must rule on the application within  
9 sixty days of the deadline provided in subsection (1) of this section.

10 (3)(a) The department (~~shall~~) must disapprove any application not  
11 received by the deadline provided in subsection (1) of this section  
12 (~~regardless of the reason that the application was received after the~~  
13 ~~deadline)) except that the department may accept applications received~~  
14 ~~up to fifteen calendar days after the deadline if the application was~~  
15 ~~not received by the deadline because of circumstances beyond the~~  
16 ~~control of the taxpayer.~~

17 (b) In making a determination whether the failure of a taxpayer to  
18 file an application by the deadline was the result of circumstances  
19 beyond the control of the taxpayer, the department must be guided by  
20 rules adopted by the department for the waiver or cancellation of  
21 penalties when the underpayment or untimely payment of any tax was due  
22 to circumstances beyond the control of the taxpayer.

23 (4) After an application is approved and tax credit granted, no  
24 increase in the credit (~~shall be~~) is allowed.

25 (5) To claim a credit under this chapter, a person must  
26 electronically file with the department all returns, forms, and other  
27 information the department requires in an electronic format as provided  
28 or approved by the department. Any return, form, or information  
29 required to be filed in an electronic format under this section is not  
30 filed until received by the department in an electronic format. As  
31 used in this subsection, "returns" has the same meaning as "return" in  
32 RCW 82.32.050.

33 **Sec. 4.** RCW 82.70.040 and 2013 c 306 s 719 are each amended to  
34 read as follows:

35 (1)(a)(i) The department (~~shall~~) must keep a running total of all  
36 credits allowed under RCW 82.70.020 during each fiscal year. The  
37 department (~~shall~~) may not allow any credits that would cause the

1 total amount allowed to exceed two million seven hundred fifty thousand  
2 dollars in any fiscal year. (~~This limitation includes any deferred~~  
3 ~~credits carried forward under subsection (2)(b)(i) of this section from~~  
4 ~~prior years.~~)

5 (ii) During the 2013-2015 fiscal biennium, the department (~~shall~~)  
6 may not allow any credits that would cause the total amount allowed to  
7 exceed one million five hundred thousand dollars in any fiscal year.  
8 (~~This limitation includes any deferred credits carried forward under~~  
9 ~~subsection (2)(b)(i) of this section from prior years.~~)

10 (b) If the total amount of credit applied for by all applicants in  
11 any year exceeds the limit in this subsection, the department (~~shall~~)  
12 must ratably reduce the amount of credit allowed for all applicants so  
13 that the limit in this subsection is not exceeded. If a credit is  
14 reduced under this subsection, the amount of the reduction may not be  
15 carried forward and claimed in subsequent fiscal years.

16 (2)(a) Tax credits under RCW 82.70.020 may not be claimed in excess  
17 of the amount of tax otherwise due under chapter 82.04 or 82.16 RCW.

18 (~~(b)(i) Through June 30, 2005, a person with taxes equal to or in~~  
19 ~~excess of the credit under RCW 82.70.020, and therefore not subject to~~  
20 ~~the limitation in (a) of this subsection, may elect to defer tax~~  
21 ~~credits for a period of not more than three years after the year in~~  
22 ~~which the credits accrue. No credits deferred under this subsection~~  
23 ~~(2)(b)(i) may be used after June 30, 2008. A person deferring tax~~  
24 ~~credits under this subsection (2)(b)(i) must submit an application as~~  
25 ~~provided in RCW 82.70.025 in the year in which the deferred tax credits~~  
26 ~~will be used. This application is subject to the provisions of~~  
27 ~~subsection (1) of this section for the year in which the tax credits~~  
28 ~~will be applied. If a deferred credit is reduced under subsection~~  
29 ~~(1)(b) of this section, the amount of deferred credit disallowed~~  
30 ~~because of the reduction may be carried forward as long as the period~~  
31 ~~of deferral does not exceed three years after the year in which the~~  
32 ~~credit was earned.~~

33 (~~ii) For credits approved by the department after June 30, 2005,~~  
34 ~~the approved credit may be carried forward to subsequent years until~~  
35 ~~used.) For credits approved by the department through June 30, 2014,~~  
36 ~~the approved credit may be carried forward and used for tax reporting~~  
37 ~~periods through December 31, 2015. Credits approved after June 30,~~  
38 ~~2014 must be used for tax reporting periods within the calendar year~~

1 they are approved by the department and may not be carried forward to  
2 subsequent tax reporting periods. Credits carried forward as  
3 authorized by this subsection are subject to the limitation in  
4 subsection (1)(a) of this section for the fiscal year for which the  
5 credits were originally approved.

6 (3) No person (~~(shall)~~) may be approved for tax credits under RCW  
7 82.70.020 in excess of (~~(two)~~) one hundred thousand dollars in any  
8 fiscal year. This limitation does not apply to credits carried forward  
9 from prior years under subsection (2)(b) of this section.

10 (4) No person may claim tax credits after June 30, (~~(2014)~~) 2017.

11 (~~(Credits may not be carried forward other than as authorized~~  
12 ~~in subsection (2)(b) of this section.~~

13 (~~(6)~~) No person is eligible for tax credits under RCW 82.70.020 if  
14 the additional revenues for the multimodal transportation account  
15 created by Engrossed Substitute House Bill No. 2231 are terminated.

16 **Sec. 5.** RCW 82.70.060 and 2005 c 319 s 138 are each amended to  
17 read as follows:

18 The commute trip reduction (~~(task force shall determine the~~  
19 ~~effectiveness of the tax credit under RCW 82.70.020, the grant program~~  
20 ~~in RCW 70.94.996, and the relative effectiveness of the tax credit and~~  
21 ~~the grant program))~~ board must determine the effectiveness of the tax  
22 credit under RCW 82.70.020 as part of its ongoing evaluation of the  
23 commute trip reduction law and report to the senate and house  
24 transportation committees and to the fiscal committees of the house of  
25 representatives and the senate. The report must include information on  
26 the amount of tax credits claimed to date and recommendations on future  
27 funding (~~(between)~~) of the tax credit program (~~(and the grant~~  
28 ~~program))~~). The report must be incorporated into the recommendations  
29 required in RCW 70.94.537(~~(+5))~~) (6). The department must provide  
30 requested information to the commute trip reduction board for its  
31 assessment.

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