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**SUBSTITUTE SENATE BILL 6016**

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**State of Washington**

**65th Legislature**

**2018 Regular Session**

**By** Senate Labor & Commerce (originally sponsored by Senators Van De Wege, Palumbo, and Kuderer)

READ FIRST TIME 01/30/18.

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

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

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

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

16 (1)(a) An employer is allowed a credit against tax due under this  
17 chapter for:

18 (i) Telework expenditures that exceed the average annual telework  
19 expenditures made by the employer in the preceding three calendar  
20 years; and

1 (ii) Two hundred fifty dollars per calendar year per employee who  
2 teleworks at least twelve days per month, not including Saturdays or  
3 Sundays, if the employee would otherwise perform the work in the  
4 state of Washington.

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

20 (c) The credit provided for in (a) of this subsection may only be  
21 claimed for employees who were not teleworking prior to the effective  
22 date of the section.

23 (d) The credit provided for in (a) of this subsection is  
24 voluntary and does not require an employer to allow an employee to  
25 telework.

26 (2) Application for credits under this section must be made  
27 before making a telework expenditure. Applications must be made to  
28 the department in a form and manner as required by the department.  
29 The department must approve or deny applications for credits using  
30 the criteria under this subsection. The department must keep a  
31 running total of all credits approved under this subsection and  
32 section 3 of this act during each calendar year, and must deny any  
33 credit application that would cause the tabulation for any calendar  
34 year to exceed two hundred thousand dollars. A person claiming a  
35 credit must keep records as necessary for the department to verify  
36 eligibility under this section, including records showing that an  
37 employee was regularly scheduled to telework from the employee's home  
38 at least twelve days per month, not including Saturdays or Sundays.  
39 The credit under this section and section 3 of this act are available  
40 only if the location of the telework is within this state.

1 (3) The definitions in this subsection apply throughout this  
2 section unless the context clearly requires otherwise.

3 (a) "Telework" means a work arrangement whereby employees are  
4 regularly scheduled at least twelve days per month, not including  
5 Saturdays or Sundays, to perform the normal duties and  
6 responsibilities of their positions at locations other than the  
7 traditional workplace, through use of computers or  
8 telecommunications. The term includes only work arrangements made by  
9 employers for employees and excludes persons who are self-employed.

10 (b) "Telework equipment" means:

11 (i) Computers, computer-related hardware and software, facsimile  
12 machines, modems, similar data processing or telecommunication  
13 equipment, high-speed internet connectivity equipment, computer  
14 security software and devices, all related delivery, installation,  
15 and maintenance costs, and such other telework equipment as the  
16 department may define by rule, used only at an alternate worksite,  
17 including an employee's home for telework purposes; and

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

21 (c) "Telework expenditures" means amounts spent, including sales  
22 or use taxes paid, to provide telework training, purchase telework  
23 equipment, or for telework installation costs. The term includes only  
24 expenditures for training, equipment, and services reasonably  
25 necessary to facilitate telework.

26 (d) "Telework installation costs" means one-time expenditures for  
27 installation of telework equipment and telecommunication access lines  
28 at an employee's home for the purpose of telework.

29 (4) This section expires July 1, 2023.

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

32 (1) An employer is allowed a credit against tax due under this  
33 chapter as described in section 2 of this act. A credit may be  
34 claimed under this section in the same manner as provided for credits  
35 under section 2 of this act. Credits under this section are subject  
36 to the same conditions and limitations as credits under section 2 of  
37 this act.

38 (2) This section expires July 1, 2023.

1        NEW SECTION.    **Sec. 4.**    This act takes effect October 1, 2018.

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