AN ACT Relating to telework; adding a new section to chapter 82.04 RCW; adding a new section to chapter 82.16 RCW; adding a new section to chapter 51.16 RCW; creating a new section; and providing an effective date.

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

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

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

(1)(a) An employer is allowed a credit against tax due under this chapter for:
(i) Telework expenditures that exceed the average annual telework expenditures made by the employer in the preceding three calendar years; and

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

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

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

(3) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.
(a) "Telework" means a work arrangement whereby employees are regularly scheduled at least twelve days per month, not including Saturdays or Sundays, to perform the normal duties and responsibilities of their positions at locations other than the traditional workplace, through use of computers or telecommunications. The term includes only work arrangements made by employers for employees and excludes persons who are self-employed.

(b) "Telework equipment" means:

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

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

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

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

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

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

NEW SECTION. Sec. 4. A new section is added to chapter 51.16 RCW to read as follows:
The department must adopt rules providing for the reduction of premiums or assessments from employers of workers who telework, as defined in section 2 of this act.

NEW SECTION. Sec. 5. This act takes effect October 1, 2018.

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