

**SB 6003** - S AMD 438  
By Senator Haugen

ADOPTED 4/5/05

1 Strike everything after the enacting clause and insert the  
2 following:

3 "**Sec. 1.** RCW 82.70.010 and 2003 c 364 s 1 are each amended to  
4 read as follows:

5 The definitions in this section apply throughout this chapter and  
6 RCW 70.94.996 unless the context clearly requires otherwise.

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

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

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

15 (4) "Ride sharing" means the same as "flexible commuter ride  
16 sharing" as defined in RCW 46.74.010, including ride sharing on  
17 Washington state ferries.

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

22 (6) "Telework" means a program where work functions that are  
23 normally performed at a traditional workplace are instead performed by  
24 an employee at his or her home at least one day a week for the purpose  
25 of reducing the number of trips to the employee's workplace.

26 (7) "Applicant" means a person applying for a tax credit under  
27 this chapter.

28 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.70 RCW  
29 to read as follows:

30 (1) Application for tax credits under this chapter must be  
31 received by the department between the first day of January and the

1 31st day of January, following the calendar year in which the applicant  
2 made payments to or on behalf of employees 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. The  
5 application shall be made to the department in a form and manner  
6 prescribed by the department. The application shall contain  
7 information regarding the number of employees for which incentives are  
8 paid during the calendar year, the amounts paid to or on behalf of  
9 employees for ride sharing in vehicles carrying two or more persons,  
10 for using public transportation, for using car sharing, or for using  
11 nonmotorized commuting, the amount of credit deferred under RCW  
12 82.70.040(2)(b)(i) to be used, and other information required by the  
13 department. For applications due by January 31, 2006, the application  
14 shall not include amounts paid from January 1, 2005, through June 30,  
15 2005, to or on behalf of employees for ride sharing in vehicles  
16 carrying two or more persons, for using public transportation, for  
17 using car sharing, or for using nonmotorized commuting.

18 (2) The department shall rule on the application within sixty days  
19 of the deadline provided in subsection (1) of this section.

20 (3) The department shall disapprove any application not received  
21 by the deadline provided in subsection (1) of this section regardless  
22 of the reason that the application was received after the deadline.

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

25 **Sec. 3.** RCW 82.70.020 and 2003 c 364 s 2 are each amended to read  
26 as follows:

27 (1) Employers in this state who are taxable under chapter 82.04 or  
28 82.16 RCW and provide financial incentives to their own or other  
29 employees for ride sharing, for using public transportation, for using  
30 car sharing, or for using nonmotorized commuting before July 1, 2013,  
31 are allowed a credit against taxes payable under chapters 82.04 and  
32 82.16 RCW for amounts paid to or on behalf of employees for ride  
33 sharing in vehicles carrying two or more persons, for using public  
34 transportation, for using car sharing, or for using nonmotorized  
35 commuting, not to exceed sixty dollars per employee per fiscal year.

36 (2) Property managers who are taxable under chapter 82.04 or 82.16  
37 RCW and provide financial incentives to persons employed at a worksite  
38 in this state managed by the property manager for ride sharing, for

1 using public transportation, for using car sharing, or for using  
2 nonmotorized commuting before July 1, 2013, are allowed a credit  
3 against taxes payable under chapters 82.04 and 82.16 RCW for amounts  
4 paid to or on behalf of these persons 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, not to exceed  
7 sixty dollars per person per fiscal year.

8 (3) The credit under this section is equal to the amount paid to  
9 or on behalf of each employee multiplied by fifty percent, but may not  
10 exceed sixty dollars per employee per fiscal year. The credit may not  
11 exceed the amount of tax that would otherwise be due under chapters  
12 82.04 and 82.16 RCW. No refunds may be granted for credits under this  
13 section.

14 (4) A person may not receive credit under this section for amounts  
15 paid to or on behalf of the same employee under both chapters 82.04 and  
16 82.16 RCW.

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

19 **Sec. 4.** RCW 82.70.030 and 2003 c 364 s 3 are each amended to read  
20 as follows:

21 ~~((1) Application for tax credit under RCW 82.70.020 may only be~~  
22 ~~made in the form and manner prescribed in rules adopted by the~~  
23 ~~department.~~

24 ~~(2) The credit under this section must be taken or deferred under~~  
25 ~~RCW 82.70.040 against taxes due for the same fiscal year in which the~~  
26 ~~amounts for which credit is claimed were paid to or on behalf of~~  
27 ~~employees for ride sharing, for using public transportation, for using~~  
28 ~~car sharing, or for using nonmotorized commuting and must be claimed by~~  
29 ~~the due date of the last tax return for the fiscal year in which the~~  
30 ~~payment is made.~~

31 ~~(3))~~ Any person who knowingly makes a false statement of a  
32 material fact in the application required under section 2 of this act  
33 for a credit under RCW 82.70.020 is guilty of a gross misdemeanor.

34 **Sec. 5.** RCW 82.70.040 and 2003 c 364 s 4 are each amended to read  
35 as follows:

36 (1)(a) The department shall keep a running total of all credits  
37 ~~((accrued))~~ allowed under RCW 82.70.020 during each fiscal year. ~~((No~~

1 ~~person is eligible for tax credits under RCW 82.70.020 if the credits~~  
2 ~~would cause the tabulation for the total amount of credits taken in any~~  
3 ~~fiscal year)) The department shall not allow any credits that would~~  
4 ~~cause the total amount allowed to exceed two million ((two)) seven~~  
5 ~~hundred fifty thousand dollars in any fiscal year. This limitation~~  
6 ~~includes any deferred credits carried forward under subsection~~  
7 ~~(2)(b)(i) of this section but does not include any credits carried~~  
8 ~~forward under subsection (2)(b)(ii) of this section from prior years.~~

9 (b) If the total amount of credit applied for by all applicants in  
10 any year exceeds the limit in this subsection, the department shall  
11 ratably reduce the amount of credit allowed for all applicants so that  
12 the limit in this subsection is not exceeded. If an application for  
13 credit under section 2 of this act includes credit deferred under  
14 subsection (2)(b)(i) of this section, in addition to credit requested  
15 for incentives paid in the previous calendar year, the reduction under  
16 this subsection (1)(b) is applied first to credit for incentives paid  
17 in the previous calendar year and then, if necessary, to any deferred  
18 credit.

19 (2)(a) No person is eligible for tax credits under RCW 82.70.020  
20 in excess of the amount of tax that would otherwise be due under  
21 chapter 82.04 or 82.16 RCW.

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

37 (ii) For credits approved by the department after the effective  
38 date of this act, the credit may be carried over until used.

1 (3) No person (~~is eligible~~) shall be approved for tax credits  
2 under RCW 82.70.020 in excess of two hundred thousand dollars in any  
3 fiscal year. This limitation does not apply to credits (~~deferred in~~)  
4 carried forward from prior years under subsection (2)(b) of this  
5 section.

6 (4) No person is eligible for tax credits(~~(, including deferred~~  
7 ~~credits authorized under subsection (2)(b) of this section,)~~) after  
8 June 30, 2013.

9 (5) Credits may not be carried forward (~~or carried backward~~)  
10 other than as authorized in subsection (2)(b) of this section.

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

14 NEW SECTION. Sec. 6. This act is necessary for the immediate  
15 preservation of the public peace, health, or safety, or support of the  
16 state government and its existing public institutions, and takes effect  
17 July 1, 2005.

18 NEW SECTION. Sec. 7. If Senate Bill No. 6103 is not enacted by  
19 June 30, 2005, this act is null and void."

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21 By Senator Haugen  
22

23  
24 In line 1 of the title, after "credit;" strike the remainder of  
25 the title and insert "amending RCW 82.70.010, 82.70.020, 82.70.030, and  
26 82.70.040; adding a new section to chapter 82.70 RCW; creating a new  
section; providing an effective date; and declaring an emergency."

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**EFFECT:** Increases the amount of the commute trip reduction tax  
credit by \$500,000 a year. This bill is tied to the revenue  
package and is null and void if the revenue bill, SB 6103 does not  
pass.