

CERTIFICATION OF ENROLLMENT  
**THIRD SUBSTITUTE SENATE BILL 5918**

Chapter 270, Laws of 1994

53rd Legislature  
1994 Regular Session

RIDE-SHARING VEHICLES--EXCISE TAX CREDITS

EFFECTIVE DATE: 6/9/94

Passed by the Senate March 8, 1994  
YEAS 43 NAYS 0

                  JOEL PRITCHARD                    
**President of the Senate**

Passed by the House March 3, 1994  
YEAS 96 NAYS 0

                  BRIAN EBERSOLE                    
**Speaker of the  
House of Representatives**

Approved April 1, 1994

                  MIKE LOWRY                    
**Governor of the State of Washington**

CERTIFICATE

I, Marty Brown, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **THIRD SUBSTITUTE SENATE BILL 5918** as passed by the Senate and the House of Representatives on the dates hereon set forth.

                  MARTY BROWN                    
**Secretary**

FILED

April 1, 1994 - 2:18 p.m.

**Secretary of State  
State of Washington**

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**THIRD SUBSTITUTE SENATE BILL 5918**

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AS AMENDED BY THE HOUSE

Passed Legislature - 1994 Regular Session

**State of Washington                      53rd Legislature                      1994 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senators Drew, Sellar, Vognild, Bluechel and Winsley)

Read first time 02/08/94.

1            AN ACT Relating to ride-sharing vehicles; adding new sections to  
2 chapter 82.04 RCW; adding new sections to chapter 82.16 RCW; creating  
3 a new section; prescribing penalties; and providing an expiration date.

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

5            NEW SECTION. **Sec. 1.** Transportation demand strategies that reduce  
6 the number of vehicles on Washington state's highways, roads, and  
7 streets, and provide attractive and effective alternatives to single-  
8 occupancy travel can improve ambient air quality, conserve fossil  
9 fuels, and forestall the need for capital improvements to the state's  
10 transportation system. The legislature has required many public and  
11 private employers in the state's largest counties to implement  
12 transportation demand management programs to reduce the number of  
13 single-occupant vehicle travelers during the morning and evening rush  
14 hours. The legislature finds that additional transportation demand  
15 management strategies are necessary to mitigate the adverse social,  
16 environmental, and economic effects of automobile dependency and  
17 traffic congestion. While expensive capital improvements, including  
18 dedicated busways and commuter rail systems, may be necessary to  
19 improve the region's mobility, they are only part of the solution. All

1 public and private entities that attract single-occupant vehicle  
2 drivers must develop imaginative and cost-effective ways to encourage  
3 walking, bicycling, carpooling, vanpooling, bus riding, and  
4 telecommuting. It is the intent of the legislature to revise those  
5 portions of state law that inhibit the application of imaginative  
6 solutions to the state's transportation mobility problems and to  
7 encourage many more public and private employers to adopt effective  
8 transportation demand management strategies.

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

11 (1) Major employers in the state's eight largest counties affected  
12 by the commute trip reduction programs required under RCW 70.94.521  
13 through 70.94.551 who are taxable under this chapter and provide  
14 financial incentives to their employees for ride sharing before June  
15 30, 1996, shall be allowed a credit for amounts paid to employees for  
16 ride sharing in vehicles carrying four or more persons, not to exceed  
17 sixty dollars per employee per year. The credit shall be equal to the  
18 amount paid to each employee multiplied by fifty percent, but may not  
19 exceed sixty dollars per employee per year. The credit may not exceed  
20 the amount of tax that would otherwise be due under this chapter.

21 (2) Application for tax credit under this chapter may only be made  
22 by major employers as defined by RCW 70.94.524 and in the form and  
23 manner prescribed in rules adopted by the department and in  
24 consultation with the commute trip reduction task force.

25 (3) The credit shall be taken against taxes due for the same  
26 calendar year in which the amounts for which credit is claimed were  
27 paid to employees for ride sharing.

28 (4) The director shall on the 25th of February, May, August, and  
29 November of each year advise the state treasurer of the amount of  
30 credit taken during the preceding calendar quarter ending on the last  
31 day of December, March, June, and September, respectively.

32 (5) On the first of April, July, October, and January of each year,  
33 the state treasurer based upon information provided by the department  
34 shall deposit a sum equal to the dollar amount of the credit provided  
35 under subsection (1) of this section from the air pollution control  
36 account to the general fund.

37 (6) The commute trip reduction task force shall determine the  
38 effectiveness of this tax credit as part of its ongoing evaluation of

1 the commute trip reduction law and report no later than December 1,  
2 1996, to the legislative transportation committee.

3 (7) Any person who knowingly makes a false statement of a material  
4 fact in the application for a credit under subsection (1) of this  
5 section is guilty of a gross misdemeanor.

6 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.04 RCW  
7 to read as follows:

8 (1) The department shall keep a running total of all credits  
9 granted under this chapter during each calendar year, and shall  
10 disallow any credits that would cause the tabulation for any calendar  
11 year to exceed two million dollars.

12 (2) No employer shall be eligible for tax credits in excess of two  
13 hundred thousand dollars in any calendar year.

14 (3) No employer shall be eligible for tax credits in excess of the  
15 amount of tax that would otherwise be due under this chapter.

16 (4) No portion of an application for credit disallowed under this  
17 section may be carried back or carried forward.

18 NEW SECTION. **Sec. 4.** A new section is added to chapter 82.16 RCW  
19 to read as follows:

20 (1) Major employers in the state's eight largest counties affected  
21 by the commute trip reduction programs required under RCW 70.94.521  
22 through 70.94.551 who are taxable under this chapter and provide  
23 financial incentives to their employees for ride sharing before June  
24 30, 1996, shall be allowed a credit for amounts paid to employees for  
25 ride sharing in vehicles carrying four or more persons, not to exceed  
26 sixty dollars per employee per year. The credit shall be equal to the  
27 amount paid to each employee multiplied by fifty percent, but may not  
28 exceed sixty dollars per employee per year. The credit may not exceed  
29 the amount of tax that would otherwise be due under this chapter.

30 (2) Application for tax credit under this chapter may only be made  
31 by major employers as defined by RCW 70.94.524 and in the form and  
32 manner prescribed in rules adopted by the department and in  
33 consultation with the commute trip reduction task force.

34 (3) The credit shall be taken against taxes due for the same  
35 calendar year in which the amounts for which credit is claimed were  
36 paid to employees for ride sharing.

1 (4) The director shall on the 25th of February, May, August, and  
2 November of each year advise the state treasurer of the amount of  
3 credit taken during the preceding calendar quarter ending on the last  
4 day of December, March, June, and September, respectively.

5 (5) On the first of April, July, October, and January of each year,  
6 the state treasurer based upon information provided by the department  
7 shall deposit a sum equal to the dollar amount of the credit provided  
8 under subsection (1) of this section from the air pollution control  
9 account to the general fund.

10 (6) The commute trip reduction task force shall determine the  
11 effectiveness of this tax credit as part of its ongoing evaluation of  
12 the commute trip reduction law and report no later than December 1,  
13 1996, to the legislative transportation committee.

14 (7) Any person who knowingly makes a false statement of a material  
15 fact in the application for a credit under subsection (1) of this  
16 section is guilty of a gross misdemeanor.

17 NEW SECTION. **Sec. 5.** A new section is added to chapter 82.16 RCW  
18 to read as follows:

19 (1) The department shall keep a running total of all credits  
20 granted under this chapter during each calendar year, and shall  
21 disallow any credits that would cause the tabulation for any calendar  
22 year to exceed two million dollars.

23 (2) No employer shall be eligible for tax credits in excess of two  
24 hundred thousand dollars in any calendar year.

25 (3) No employer shall be eligible for tax credits in excess of the  
26 amount of tax that would otherwise be due under this chapter.

27 (4) No portion of an application for credit disallowed under this  
28 section may be carried back or carried forward.

29 NEW SECTION. **Sec. 6.** This act shall expire December 31, 1996.

Passed the Senate March 8, 1994.

Passed the House March 3, 1994.

Approved by the Governor April 1, 1994.

Filed in Office of Secretary of State April 1, 1994.