
ENGROSSED SUBSTITUTE HOUSE BILL 2228

State of Washington

58th Legislature

2003 Regular Session

By House Committee on Transportation (originally sponsored by Representatives Murray, Wallace, Cooper, Clibborn, Simpson, Rockefeller, Hudgins and Hankins)

READ FIRST TIME 04/02/03.

1 AN ACT Relating to commute trip reduction incentives; adding a new
2 section to chapter 70.94 RCW; adding a new chapter to Title 82 RCW;
3 creating new sections; repealing RCW 82.04.4453, 82.04.4454, 82.16.048,
4 and 82.16.049; prescribing penalties; providing a contingent effective
5 date; and providing expiration dates.

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

7 NEW SECTION. **Sec. 1.** DEFINITIONS. The definitions in this
8 section apply throughout this chapter and section 9 of this act unless
9 the context clearly requires otherwise.

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

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

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

18 (4) "Ride sharing" means the same as "flexible commuter ride

1 sharing" as defined in RCW 46.74.010, including ride sharing on
2 Washington state ferries.

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

7 NEW SECTION. **Sec. 2.** TAX CREDITS--BUSINESS AND OCCUPATION AND
8 PUBLIC UTILITY TAXES. (1) Employers in this state who are taxable
9 under chapter 82.04 or 82.16 RCW and provide financial incentives to
10 their own or other employees for ride sharing, for using public
11 transportation, for using car sharing, or for using nonmotorized
12 commuting before June 30, 2013, are allowed a credit against taxes
13 payable under chapters 82.04 and 82.16 RCW for amounts paid to or on
14 behalf of employees for ride sharing in vehicles carrying two or more
15 persons, for using public transportation, for using car sharing, or for
16 using nonmotorized commuting, not to exceed sixty dollars per employee
17 per year.

18 (2) Property managers who are taxable under chapter 82.04 or 82.16
19 RCW and provide financial incentives to persons employed at a worksite
20 in this state managed by the property manager for ride sharing, for
21 using public transportation, for using car sharing, or for using
22 nonmotorized commuting before June 30, 2013, are allowed a credit
23 against taxes payable under chapters 82.04 and 82.16 RCW for amounts
24 paid to or on behalf of these persons for ride sharing in vehicles
25 carrying two or more persons, for using public transportation, for
26 using car sharing, or for using nonmotorized commuting, not to exceed
27 sixty dollars per person per year.

28 (3) The credit under this section is equal to the amount paid to or
29 on behalf of each employee multiplied by fifty percent, but may not
30 exceed sixty dollars per employee per year. The credit may not exceed
31 the amount of tax that would otherwise be due under chapters 82.04 and
32 82.16 RCW.

33 (4) A person may not receive credit under this section for amounts
34 paid to or on behalf of the same employee under both chapters 82.04 and
35 82.16 RCW.

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

1 NEW SECTION. **Sec. 3.** TAX CREDIT FILING. (1) Application for tax
2 credit under section 2 of this act may only be made in the form and
3 manner prescribed in rules adopted by the department.

4 (2) The credit under this section must be taken or deferred under
5 section 4 of this act against taxes due for the same calendar year in
6 which the amounts for which credit is claimed were paid to or on behalf
7 of employees for ride sharing, for using public transportation, for
8 using car sharing, or for using nonmotorized commuting and must be
9 claimed by the due date of the last tax return for the calendar year in
10 which the payment is made.

11 (3) Any person who knowingly makes a false statement of a material
12 fact in the application for a credit under section 2 of this act is
13 guilty of a gross misdemeanor.

14 NEW SECTION. **Sec. 4.** TAX CREDIT LIMITATIONS. (1) The department
15 shall keep a running total of all credits accrued under section 2 of
16 this act during each calendar year. No person is eligible for tax
17 credits under section 2 of this act if the credits would cause the
18 tabulation for the total amount of credits taken in any calendar year
19 to exceed two million two hundred fifty thousand dollars. This
20 limitation includes any credits carried forward under subsection (2)(b)
21 of this section from prior years.

22 (2)(a) No person is eligible for tax credits under section 2 of
23 this act in excess of the amount of tax that would otherwise be due
24 under chapter 82.04 or 82.16 RCW.

25 (b) A person with taxes equal to or in excess of the credit under
26 section 2 of this act, and therefore not subject to the limitation in
27 (a) of this subsection, may defer tax credits for a period of not more
28 than three years after the year in which the credits accrue. A person
29 deferring tax credits under this subsection (2)(b) must submit an
30 application in the year in which the tax credits will be applied. This
31 application is subject to eligibility under subsection (1) of this
32 section for the calendar year in which the tax credits will be applied.

33 (3) No person is eligible for tax credits under section 2 of this
34 act in excess of two hundred thousand dollars in any calendar year.
35 This limitation does not apply to credits deferred in prior years under
36 subsection (2)(b) of this section.

1 (4) No person is eligible for tax credits, including deferred
2 credits authorized under subsection (2)(b) of this section, after June
3 30, 2013.

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

6 NEW SECTION. **Sec. 5.** FUND TRANSFER. (1) The director shall on
7 the 25th of February, May, August, and November of each year advise the
8 state treasurer of the amount of credit taken under section 2 of this
9 act during the preceding calendar quarter ending on the last day of
10 December, March, June, and September, respectively.

11 (2) On the last day of March, June, September, and December of each
12 year, the state treasurer, based upon information provided by the
13 department, shall deposit to the general fund a sum equal to the dollar
14 amount of the credit provided under section 2 of this act from the
15 multimodal transportation account.

16 NEW SECTION. **Sec. 6.** COMMUTE TRIP REDUCTION REPORTING. The
17 commute trip reduction task force shall determine the effectiveness of
18 the tax credit under section 2 of this act, the grant program in
19 section 9 of this act, and the relative effectiveness of the tax credit
20 and the grant program as part of its ongoing evaluation of the commute
21 trip reduction law and report to the legislative transportation
22 committee and to the fiscal committees of the house of representatives
23 and the senate. The report must include information on the amount of
24 tax credits claimed to date and recommendations on future funding
25 between the tax credit program and the grant program. The report must
26 be incorporated into the recommendations required in RCW 70.94.537(5).

27 NEW SECTION. **Sec. 7.** ADMINISTRATION. Chapter 82.32 RCW applies
28 to the administration of this chapter.

29 NEW SECTION. **Sec. 8.** EXPIRATION. This chapter expires June 30,
30 2013, except for section 5 of this act, which expires December 31,
31 2013.

32 NEW SECTION. **Sec. 9.** A new section is added to chapter 70.94 RCW
33 to read as follows:

1 (1) The department of transportation shall administer a
2 performance-based grant program for private employers, public agencies,
3 nonprofit organizations, developers, and property managers who provide
4 financial incentives for ride sharing in vehicles carrying two or more
5 persons, for using public transportation, for using car sharing, or for
6 using nonmotorized commuting, including telework, before June 30, 2013,
7 to their own or other employees.

8 (2) The amount of the grant will be determined based on the value
9 to the transportation system of the vehicle trips reduced. The commute
10 trip reduction task force shall develop an award rate giving priority
11 to applications achieving the greatest reduction in trips and commute
12 miles per public dollar requested and considering the following
13 criteria: The local cost of providing new highway capacity, congestion
14 levels, and geographic distribution.

15 (3) No private employer, public agency, nonprofit organization,
16 developer, or property manager is eligible for grants under this
17 section in excess of one hundred thousand dollars in any calendar year.

18 (4) The total of grants provided under this section may not exceed
19 seven hundred fifty thousand dollars in any calendar year.

20 (5) The department of transportation shall report to the department
21 of revenue by the 15th day of each month the aggregate monetary amount
22 of grants provided under this section in the prior month and the
23 identity of the recipients of those grants.

24 (6) The source of funds for this grant program is the multimodal
25 transportation account.

26 (7) This section expires December 31, 2013.

27 NEW SECTION. **Sec. 10.** The following acts or parts of acts are
28 each repealed:

29 (1) RCW 82.04.4453 (Credit--Ride-sharing, public transportation, or
30 nonmotorized commuting incentives--Penalty--Report to legislature) and
31 1999 c 402 s 1, 1996 c 128 s 1, & 1994 c 270 s 2;

32 (2) RCW 82.04.4454 (Credit--Ride-sharing, public transportation, or
33 nonmotorized commuting incentives--Ceiling) and 1999 c 402 s 3, 1996 c
34 128 s 2, & 1994 c 270 s 3;

35 (3) RCW 82.16.048 (Credit--Ride-sharing, public transportation, or
36 nonmotorized commuting incentives--Penalty--Report to legislature) and
37 1999 c 402 s 2, 1996 c 128 s 3, & 1994 c 270 s 4; and

1 (4) RCW 82.16.049 (Credit--Ride-sharing, public transportation, or
2 nonmotorized commuting incentives--Ceiling) and 1999 c 402 s 4, 1996 c
3 128 s 4, & 1994 c 270 s 5.

4 NEW SECTION. **Sec. 11.** Sections 1 through 8 of this act constitute
5 a new chapter in Title 82 RCW.

6 NEW SECTION. **Sec. 12.** The code reviser shall place cross-
7 reference sections to chapter 82.-- RCW (sections 1 through 8 of this
8 act) in chapters 82.04 and 82.16 RCW.

9 NEW SECTION. **Sec. 13.** This act takes effect January 1, 2004, but
10 only if legislation that provides additional revenues, excluding
11 transfers, for the multimodal transportation account is in effect on
12 that date.

13 NEW SECTION. **Sec. 14.** Captions used in this act are not part of
14 the law.

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