
SUBSTITUTE HOUSE BILL 1043

State of Washington

69th Legislature

2025 Regular Session

By House Finance (originally sponsored by Representatives Wylie, Doglio, Fey, Ramel, Shavers, Fosse, Salahuddin, Reeves, and Hill)

READ FIRST TIME 02/26/25.

1 AN ACT Relating to commute trip reduction tax credit; amending
2 RCW 82.70.020, 82.70.040, and 82.70.900; creating a new section;
3 providing an effective date; and declaring an emergency.

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

5 **Sec. 1.** RCW 82.70.020 and 2024 c 310 s 608 are each amended to
6 read as follows:

7 (1) Employers in this state who are taxable under chapter 82.04
8 or 82.16 RCW and provide financial incentives to their own or other
9 employees for ride sharing, for using public transportation, for
10 using car sharing, or for using nonmotorized commuting before January
11 1, ((2025)) 2035, are allowed a credit against taxes payable under
12 chapters 82.04 and 82.16 RCW for amounts paid to or on behalf of
13 employees for ride sharing in vehicles carrying two or more persons,
14 for using public transportation, for using car sharing, or for using
15 nonmotorized commuting, not to exceed \$60 per employee per fiscal
16 year.

17 (2) Property managers who are taxable under chapter 82.04 or
18 82.16 RCW and provide financial incentives to persons employed at a
19 worksite in this state managed by the property manager for ride
20 sharing, for using public transportation, for using car sharing, or
21 for using nonmotorized commuting before January 1, ((2024)) 2035, are

1 allowed a credit against taxes payable under chapters 82.04 and 82.16
2 RCW for amounts paid to or on behalf of these persons for ride
3 sharing in vehicles carrying two or more persons, for using public
4 transportation, for using car sharing, or for using nonmotorized
5 commuting, not to exceed \$60 per person per fiscal year.

6 (3) The credit under this section is equal to the amount paid to
7 or on behalf of each employee (~~(multiplied by 50 percent)~~), but may
8 not exceed \$60 per employee per fiscal year. No refunds may be
9 granted for credits under this section.

10 (4) A person may not receive credit under this section for
11 amounts paid to or on behalf of the same employee under both chapters
12 82.04 and 82.16 RCW.

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

15 **Sec. 2.** RCW 82.70.040 and 2024 c 310 s 609 are each amended to
16 read as follows:

17 (1)(a) The department must keep a running total of all credits
18 allowed under RCW 82.70.020 during each fiscal year. The department
19 may not allow any credits that would cause the total amount allowed
20 to exceed \$2,750,000 in any fiscal year.

21 (b) If the total amount of credit applied for by all applicants
22 in any year exceeds the limit in this subsection, the department must
23 ratably reduce the amount of credit allowed for all applicants so
24 that the limit in this subsection is not exceeded. If a credit is
25 reduced under this subsection, the amount of the reduction may not be
26 carried forward and claimed in subsequent fiscal years.

27 (2)(a) Tax credits under RCW 82.70.020 may not be claimed in
28 excess of the amount of tax otherwise due under chapter 82.04 or
29 82.16 RCW.

30 (b) Through June 30, 2005, a person with taxes equal to or in
31 excess of the credit under RCW 82.70.020, and therefore not subject
32 to the limitation in (a) of this subsection, may elect to defer tax
33 credits for a period of not more than three years after the year in
34 which the credits accrue. For credits approved by the department
35 through June 30, 2015, the approved credit may be carried forward and
36 used for tax reporting periods through December 31, 2016. Credits
37 approved after June 30, 2015, must be used for tax reporting periods
38 within the calendar year for which they are approved by the
39 department and may not be carried forward to subsequent tax reporting

1 periods. Credits carried forward as authorized by this subsection are
2 subject to the limitation in subsection (1)(a) of this section for
3 the fiscal year for which the credits were originally approved.

4 (3) No person may be approved for tax credits under RCW 82.70.020
5 in excess of (~~(\$100,000)~~) \$50,000 in any fiscal year. This limitation
6 does not apply to credits carried forward from prior years under
7 subsection (2)(b) of this section.

8 (4) No person may claim tax credits after June 30, (~~(2025)~~) 2035.

9 **Sec. 3.** RCW 82.70.900 and 2024 c 310 s 610 are each amended to
10 read as follows:

11 This chapter expires July 1, (~~(2025)~~) 2035.

12 NEW SECTION. **Sec. 4.** RCW 82.32.808 does not apply to this act.

13 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
14 preservation of the public peace, health, or safety, or support of
15 the state government and its existing public institutions, and takes
16 effect July 1, 2025.

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