HOUSE BILL REPORT

3SSB 5918

As Reported By House Committee On:
Transportation

Title: An act relating to ride-sharing vehicles.

Brief Description: Allowing ride-sharing incentives to include cars.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Drew, Sellar, Vognild, Bluechel and Winsley).

Brief History:
Reported by House Committee on:
Transportation, February 23, 1994, DPA.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: Do pass as amended. Signed by 25 members: Representatives R. Fisher, Chair; Brown, Vice Chair; Jones, Vice Chair; Schmidt, Ranking Minority Member; Mielke, Assistant Ranking Minority Member; Backlund; Brough; Brumsickle; Cothern; Eide; Finkbeiner; Forner; Fuhrman; Hansen; Heavey; Horn; Johanson; J. Kohl; Orr; Patterson; Quall; Romero; Shin; Wood and Zellinsky.

Staff: Brian McMorrow (786-7304).

Background: Major employers (100 or more employees) in the state's eight largest counties must implement commute trip reduction programs to reduce the number of their employees traveling by single-occupant vehicles to their work sites. Large and small businesses argue that particular tax incentives will make it easier for them to meet the Commute Trip Reduction Law requirements.

Summary of Amended Bill: Major employers as defined by the Commute Trip Reduction Law that provide financial incentives to their employees for ridesharing in carpools with four or more persons are allowed a credit on their business and occupation tax or their public utility tax. The credit would be 50 percent of the amount paid to the employee, up to $60 per employee each year. Ultimately, the tax credit will be paid from the air pollution control account. No employer may take a credit for more than $200,000 per year, and no more than $2 million of tax credits may be granted per year.

An administrative process is outlined for the tax credit and for transferring money from the air pollution control account to the general fund.

The Commute Trip Reduction Task Force, which was created to implement the Commute Trip Reduction Law, will report to the Legislative Transportation Committee by December 1, 1996, providing an assessment of the credit's effectiveness.

The bill makes it a gross misdemeanor to file a false application for the credit.

The program will last for 24 months and expire on December 1, 1996.

Amended Bill Compared to Third Substitute Bill: The amended bill allows major employers to take a credit on their business and occupation tax or public utility tax if they provide financial incentives to their employees for ridesharing in carpools with four or more persons. The third substitute bill permitted a credit for carpools of two or more persons.

The amended bill permits a tax credit of up to $60 per person and a limit of the credit to $200,000 per employer per year. It also provides a cap on the program of $2 million per year. The third substitute provided for different subsidies depending on the size of the carpool, and it did not have any limits placed on the employer credits or on the amount that could be drawn from the account.

The amended bill requires an evaluation of the effectiveness of the tax credits.

Both bills make it a gross misdemeanor to file a false application for the credit and establish a sunset date of June 30, 1996.

Fiscal Note: Available.

Effective Date of Amended Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: Major employers implementing transportation demand management programs need financial incentives to help them meet the goals of the Commute Trip Reduction Law. This bill sends a message to the business community that the state wants to be a partner in dealing with air pollution, traffic congestion and reducing dependency on foreign oil--all laudable goals of the act.

Testimony Against: None.

Witnesses: Bill Roach, King County METRO; Jane Gray, Sverdrup Civil, Inc.; Sherri Shaftic, Key Bank of Washington; Jeffrey Mitchell, Laboratory of Pathology; and Bruce Wishart, Sierra Club.