

SENATE BILL REPORT

SSB 5918

AS REPORTED BY COMMITTEE ON WAYS & MEANS, FEBRUARY 8, 1994

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

SPONSORS: Senate Committee on Transportation (originally sponsored by Senators Drew, Sellar, Vognild, Bluechel and Winsley)

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Second Substitute Senate Bill No. 5918 be substituted therefor, and the second substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Vognild, Chairman; Skratek, Vice Chairman; Drew, Haugen, Morton, Nelson, Oke, Prentice, M. Rasmussen, Schow, Sellar, Sheldon and Winsley.

Staff: Brian McMorrow (786-7304)

Hearing Dates: March 1, 1993; March 3, 1993; January 26, 1994; January 27, 1994

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Third Substitute Senate Bill No. 5918 be substituted therefor, and the third substitute bill do pass.

Signed by Senators Rinehart, Chairman; Quigley, Vice Chairman; Bauer, Bluechel, Gaspard, Hargrove, Ludwig, McDonald, Moyer, Niemi, Pelz, Roach and Sutherland.

Staff: Terry Wilson (786-7715)

Hearing Dates: February 7, 1994; February 8, 1994

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's requirements.

Owners of vans that are used as ride-sharing vehicles for at least seven persons, including the driver, are exempt from the state sales tax.

Owners of vans that are used as ride-sharing vehicles for 36 consecutive months and for at least seven persons, including the driver, are exempt from the state use tax.

Owners of vans that are used as ride-sharing vehicles for at least seven persons, including the driver, or for at least five persons, including the driver, when at least three of those persons are confined to wheelchairs when riding, are exempt from the motor vehicle excise tax.

SUMMARY:

Passenger motor vehicles (vans and cars) used primarily as ride-sharing vehicles and carrying at least four persons (including the driver) are exempt from the motor vehicle excise tax. The registered owner of a vehicle that is no longer primarily used for ride sharing must notify the Department of Licensing and pay the motor vehicle excise tax due. A person who knowingly gives false information to the department when applying for special plates required for ride-sharing vehicles may be guilty of a gross misdemeanor.

EFFECT OF PROPOSED SECOND SUBSTITUTE:

Major employers in the state's eight largest counties affected by the commute trip reduction law are provided a credit on their business and occupation tax or public utility tax if they provide financial incentives to their employees for ride-sharing. The employers are allowed a credit of 50 percent of the amount paid to employees for ride-sharing. The credit may not exceed \$120 for a two-person carpool, \$160 for a three-person carpool and \$200 for a four-person carpool. Ultimately, funds for this program would come from the air pollution control account.

An administrative process is outlined for applying for the tax credit and for transferring money from the air pollution control account to the general fund. It also makes it a gross misdemeanor to file a false application for the credit and establishes a sunset date of June 30, 1996.

EFFECT OF PROPOSED THIRD SUBSTITUTE:

Technical amendments are made.

Appropriation: none

Revenue: none

Fiscal Note: requested

TESTIMONY FOR (Transportation):

Major employers implementing transportation demand management programs need financial incentives to help them meet the goals of the Commute Trip Reduction Act. 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 (Transportation):

The bill should be incorporated as part of the Commute Trip Reduction Task Force's recommendations, which will be presented to the Legislature next session.

TESTIFIED (Transportation): PRO: Steve Callender, SCCIT; Michael Smail, Puget Sound Business Alliance; Dawn Nogales, Kenworth Truck; Jane Gray, Sverdrip Civil, Inc.; Jeffrey Mitchell, Laboratory, Pathology of Seattle, Inc.; Bill Roache, METRO; CON: Kristine Growdon, WSEO; John Doyle, DOT; Stu Clark, WSDOE

TESTIMONY FOR (Ways & Means): None

TESTIMONY AGAINST (Ways & Means): None

TESTIFIED (Ways & Means): No one