SENATE BILL REPORT

3SSB 5918

AS PASSED SENATE, FEBRUARY 15, 1994

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)

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

HOUSE COMMITTEE ON TRANSPORTATION

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:

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.

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

HOUSE AMENDMENT(S):

Major employers in the state’s largest counties affected by the commute trip reduction law are allowed 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.

Major employers may apply for a tax credit of up to $60 per person per year with a limit of $200,000 per employer per year. There is a cap on the program of $2 million per year.

There is a requirement for an evaluation of the effectiveness of the tax credits.