SENATE BILL REPORT

SB 5918

AS REPORTED BY COMMITTEE ON TRANSPORTATION, MARCH 3, 1993

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

SPONSORS: Senators Drew, Sellar, Vognild, Bluechel and Winsley

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5918 be substituted therefor, and the substitute bill do pass.
Signed by Senators Vognild, Chairman; Loveland, Vice Chairman; Skratek, Vice Chairman; Barr, Drew, Haugen, Nelson, Oke, Prentice, Prince, M. Rasmussen, Sheldon, von Reichbauer, and Winsley.

Staff: Brian McMorrow (786-7304)

Hearing Dates: March 1, 1993; March 3, 1993

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:

Business owners are permitted to deduct from their business and occupation tax up to $60 per employee of moneys paid by the employer to employees as incentives to participate in transportation demand management programs under the commute trip reduction law.

The state sales tax, use tax and motor vehicle excise tax will not apply to vans and cars used regularly as ride-sharing vehicles for at least two persons, i.e., a driver and a passenger.

EFFECT OF PROPOSED SUBSTITUTE:

The substitute retains only the motor vehicle tax exemption as an economic incentive for ride-sharing. It changes from two to four the number of passengers (including the driver) required to qualify as a ride-sharing vehicle. To retain its official status as a ride-sharing vehicle, a vehicle must be used "primarily" as ride-sharing vehicle, rather than "regularly" used as ride-sharing vehicle. 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. The substitute makes it a gross misdemeanor to give a false statement knowingly to the Department of Licensing when applying for special plates required for ride-sharing vehicles. Cars and vans are now referred to as passenger motor vehicles.

Appropriation: none

Revenue: none

Fiscal Note: requested

TESTIMONY FOR:

This bill provides an incentive to businesses and motorists to reduce the number of single-occupant vehicles that travel during rush hours.

TESTIMONY AGAINST:

The original bill substantially reduces money available for other state programs. The tax incentives provided in the original bill are excessive.

TESTIFIED: PRO: Steve Callendar, Dennis English, Mike Small, SCCIT; Bruce Olsen, AAA; Rick Slunaker, AGC; CON: John Doyle