

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 5781

56th Legislature
1999 Regular Session

Passed by the Senate April 23, 1999
YEAS 37 NAYS 4

President of the Senate

Passed by the House April 12, 1999
YEAS 85 NAYS 8

**Speaker of the
House of Representatives**

**Speaker of the
House of Representatives**

Approved

Governor of the State of Washington

CERTIFICATE

I, Tony M. Cook, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 5781** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 5781

AS AMENDED BY THE HOUSE

Passed Legislature - 1999 Regular Session

State of Washington 56th Legislature 1999 Regular Session

By Senate Committee on Transportation (originally sponsored by Senators Eide, Swecker, Fraser and Costa; by request of Department of Ecology)

Read first time 03/08/99.

1 AN ACT Relating to the commute trip reduction tax credit; amending
2 RCW 82.04.4453, 82.16.048, 82.04.4454, 82.16.049, and 82.44.180;
3 amending 1996 c 128 s 7 (uncodified); amending 1996 c 128 s 6
4 (uncodified); providing an effective date; and declaring an emergency.

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

6 **Sec. 1.** RCW 82.04.4453 and 1996 c 128 s 1 are each amended to read
7 as follows:

8 (1)(a) Employers in this state who are taxable under this chapter
9 and provide financial incentives to their employees for ride sharing,
10 for using public transportation, or for using nonmotorized commuting
11 before June 30, (~~2000~~) 2006, shall be allowed a credit for amounts
12 paid to or on behalf of employees for ride sharing in vehicles carrying
13 two or more persons, for using public transportation, or for using
14 nonmotorized commuting, not to exceed sixty dollars per employee per
15 year. The credit shall be equal to the amount paid to or on behalf of
16 each employee multiplied by fifty percent, but may not exceed sixty
17 dollars per employee per year.

18 (b) Property managers who are taxable under this chapter and
19 provide financial incentives to persons employed at a worksite managed

1 by the property manager in this state for ride sharing, for using
2 public transportation, or for using nonmotorized commuting before June
3 30, 2006, shall be allowed a credit for amounts paid to or on behalf of
4 these persons for ride sharing in vehicles carrying two or more
5 persons, for using public transportation, or for using nonmotorized
6 commuting, not to exceed sixty dollars per person per year. A person
7 may not take a credit under this section for amounts claimed for credit
8 by other persons.

9 (c) For ride sharing in vehicles carrying two persons, the credit
10 shall be equal to the amount paid to or on behalf of each employee
11 multiplied by thirty percent, but may not exceed sixty dollars per
12 employee per year. The credit may not exceed the amount of tax that
13 would otherwise be due under this chapter.

14 (2) Application for tax credit under this chapter may only be made
15 in the form and manner prescribed in rules adopted by the department.

16 (3) The credit shall be taken not more than once quarterly and not
17 less than once annually against taxes due for the same calendar year in
18 which the amounts for which credit is claimed were paid to or on behalf
19 of employees for ride sharing, for using public transportation, or for
20 using nonmotorized commuting and must be claimed by the due date of the
21 last tax return for the calendar year in which the payment is made.

22 (4) The director shall on the 25th of February, May, August, and
23 November of each year advise the state treasurer of the amount of
24 credit taken during the preceding calendar quarter ending on the last
25 day of December, March, June, and September, respectively.

26 (5) On the first of April, July, October, and January of each year,
27 the state treasurer based upon information provided by the department
28 shall deposit to the general fund a sum equal to the dollar amount of
29 the credit provided under subsection (1) of this section from the air
30 pollution control account (~~to the general fund~~), the transportation
31 account, and the public transportation systems account. The first draw
32 on reimbursements to the general fund must be from the air pollution
33 control account, and reimbursements must not exceed one and one-half
34 million dollars in any calendar year for the tax credits claimed under
35 RCW 82.04.4453 and 82.16.048. Reimbursements to the general fund in
36 excess of that amount drawn from the air pollution control account must
37 be drawn, subject to appropriation, in equal amounts from the
38 transportation account and the public transportation systems account;

1 but in no case may those amounts exceed three hundred seventy-five
2 thousand dollars from each account in any calendar year.

3 (6) The commute trip reduction task force shall determine the
4 effectiveness of this tax credit as part of its ongoing evaluation of
5 the commute trip reduction law and report (~~(no later than December 1,~~
6 ~~1997,~~) to the legislative transportation committee and to the fiscal
7 committees of the house of representatives and the senate. The report
8 shall include information on the amount of tax credits claimed to date
9 and recommendations on future funding for the tax credit program. The
10 report shall be incorporated into the recommendations required in RCW
11 70.94.537(5).

12 (7) Any person who knowingly makes a false statement of a material
13 fact in the application for a credit under subsection (1) of this
14 section is guilty of a gross misdemeanor.

15 (8) A person may not receive credit for amounts paid to or on
16 behalf of the same employee under both this section and RCW 82.16.048.

17 **Sec. 2.** RCW 82.16.048 and 1996 c 128 s 3 are each amended to read
18 as follows:

19 (1)(a) Employers in this state who are taxable under this chapter
20 and provide financial incentives to their employees for ride sharing,
21 for using public transportation, or for using nonmotorized commuting
22 before June 30, (~~(2000)~~) 2006, shall be allowed a credit for amounts
23 paid to or on behalf of employees for ride sharing in vehicles carrying
24 two or more persons, for using public transportation, or for using
25 nonmotorized commuting, not to exceed sixty dollars per employee per
26 year. The credit shall be equal to the amount paid to or on behalf of
27 each employee multiplied by fifty percent, but may not exceed sixty
28 dollars per employee per year.

29 (b) Property managers who are taxable under this chapter and
30 provide financial incentives to persons employed at a worksite managed
31 by the property manager in this state for ride sharing, for using
32 public transportation, or for using nonmotorized commuting before June
33 30, 2006, shall be allowed a credit for amounts paid to or on behalf of
34 these persons for ride sharing in vehicles carrying two or more
35 persons, for using public transportation, or for using nonmotorized
36 commuting, not to exceed sixty dollars per person per year. A person
37 may not take a credit under this section for amounts claimed for credit
38 by other persons.

1 (c) For ride sharing in vehicles carrying two persons, the credit
2 shall be equal to the amount paid to or on behalf of each employee
3 multiplied by thirty percent, but may not exceed sixty dollars per
4 employee per year. The credit may not exceed the amount of tax that
5 would otherwise be due under this chapter.

6 (2) Application for tax credit under this chapter may only be made
7 in the form and manner prescribed in rules adopted by the department.

8 (3) The credit shall be taken not more than once quarterly and not
9 less than once annually against taxes due for the same calendar year in
10 which the amounts for which credit is claimed were paid to or on behalf
11 of employees for ride sharing, for using public transportation, or for
12 using nonmotorized commuting and must be claimed by the due date of the
13 last tax return for the calendar year in which the payment is made.

14 (4) The director shall on the 25th of February, May, August, and
15 November of each year advise the state treasurer of the amount of
16 credit taken during the preceding calendar quarter ending on the last
17 day of December, March, June, and September, respectively.

18 (5) On the first of April, July, October, and January of each year,
19 the state treasurer based upon information provided by the department
20 shall deposit to the general fund a sum equal to the dollar amount of
21 the credit provided under subsection (1) of this section from the air
22 pollution control account (~~to the general fund~~), the transportation
23 account, and the public transportation systems account. The first draw
24 on reimbursements to the general fund must be from the air pollution
25 control account, and reimbursements must not exceed one and one-half
26 million dollars in any calendar year for the tax credits claimed under
27 RCW 82.04.4453 and 82.16.048. Reimbursements to the general fund in
28 excess of that amount drawn from the air pollution control account must
29 be drawn, subject to appropriation, in equal amounts from the
30 transportation account and the public transportation systems account;
31 but in no case may those amounts exceed three hundred seventy-five
32 thousand dollars from each account in any calendar year.

33 (6) The commute trip reduction task force shall determine the
34 effectiveness of this tax credit as part of its ongoing evaluation of
35 the commute trip reduction law and report (~~no later than December 1,~~
36 ~~1997,~~) to the legislative transportation committee and to the fiscal
37 committees of the house of representatives and the senate. The report
38 shall include information on the amount of tax credits claimed to date
39 and recommendations on future funding for the tax credit program. The

1 report shall be incorporated into the recommendations required in RCW
2 70.94.537(5).

3 (7) Any person who knowingly makes a false statement of a material
4 fact in the application for a credit under subsection (1) of this
5 section is guilty of a gross misdemeanor.

6 (8) A person may not receive credit for amounts paid to or on
7 behalf of the same employee under both this section and RCW 82.04.4453.

8 **Sec. 3.** RCW 82.04.4454 and 1996 c 128 s 2 are each amended to read
9 as follows:

10 (1) The department shall keep a running total of all credits
11 granted under RCW 82.04.4453 and 82.16.048 during each calendar year,
12 and shall disallow any credits that would cause the tabulation for any
13 calendar year to exceed ~~((one))~~ two million ~~((five))~~ two hundred
14 twenty-five thousand dollars, or the amount provided from the air
15 pollution control account and the appropriations from the
16 transportation account and the public transportation systems account,
17 whichever is less.

18 (2) No ~~((employer shall be))~~ person is eligible for tax credits
19 under RCW 82.04.4453 and 82.16.048 in excess of one hundred thousand
20 dollars in any calendar year.

21 (3) No ~~((employer shall be))~~ person is eligible for tax credits
22 under RCW 82.04.4453 in excess of the amount of tax that would
23 otherwise be due under this chapter.

24 (4) No portion of an application for credit disallowed under this
25 section may be carried back or carried forward.

26 **Sec. 4.** RCW 82.16.049 and 1996 c 128 s 4 are each amended to read
27 as follows:

28 (1) The department shall keep a running total of all credits
29 granted under RCW 82.04.4453 and 82.16.048 during each calendar year,
30 and shall disallow any credits that would cause the tabulation for any
31 calendar year to exceed ~~((one))~~ two million ~~((five))~~ two hundred
32 twenty-five thousand dollars, or the amount provided from the air
33 pollution control account and the appropriations from the
34 transportation account and the public transportation systems account,
35 whichever is less.

1 (2) No (~~employer shall be~~) person is eligible for tax credits
2 under RCW 82.04.4453 and 82.16.048 in excess of one hundred thousand
3 dollars in any calendar year.

4 (3) No (~~employer shall be~~) person is eligible for tax credits
5 under RCW 82.16.048 in excess of the amount of tax that would otherwise
6 be due under this chapter.

7 (4) No portion of an application for credit disallowed under this
8 section may be carried back or carried forward.

9 **Sec. 5.** RCW 82.44.180 and 1998 c 321 s 41 (Referendum Bill No. 49)
10 are each amended to read as follows:

11 (1) The transportation fund is created in the state treasury.
12 Revenues under RCW 82.44.110 and 82.50.510 shall be deposited into the
13 fund as provided in those sections.

14 Moneys in the fund may be spent only after appropriation.
15 Expenditures from the fund may be used only for transportation purposes
16 and activities and operations of the Washington state patrol not
17 directly related to the policing of public highways and that are not
18 authorized under Article II, section 40 of the state Constitution.

19 (2) (~~There is hereby created the central Puget Sound public~~
20 ~~transportation account within the transportation fund. Moneys~~
21 ~~deposited into the account under RCW 82.44.150(2)(b) shall be~~
22 ~~appropriated to the transportation improvement board and allocated by~~
23 ~~the transportation improvement board to public transportation projects~~
24 ~~within the region from which the funds are derived, solely for:~~

25 ~~(a) Planning;~~

26 ~~(b) Development of capital projects;~~

27 ~~(c) Development of high capacity transportation systems as defined~~
28 ~~in RCW 81.104.015;~~

29 ~~(d) Development of high occupancy vehicle lanes and related~~
30 ~~facilities as defined in RCW 81.100.020; and~~

31 ~~(e) Public transportation system contributions required to fund~~
32 ~~projects under federal programs and those approved by the~~
33 ~~transportation improvement board from other fund sources.~~

34 ~~(3))~~ There is hereby created the public transportation systems
35 account within the transportation fund. Moneys deposited into the
36 account under RCW 82.44.150(2)(b) and (c) shall be appropriated to the
37 transportation improvement board and allocated by the transportation
38 improvement board to public transportation projects submitted by the

1 public transportation systems (~~from which the funds are derived~~) as
2 defined by chapters 36.56, 36.57, and 36.57A RCW and RCW 35.84.060 and
3 81.112.030, and the Washington state ferry system, solely for:

4 (a) Planning;

5 (b) Development of capital projects;

6 (c) Development of high capacity transportation systems as defined
7 in RCW 81.104.015;

8 (d) Development of high occupancy vehicle lanes and related
9 facilities as defined in RCW 81.100.020;

10 (e) Other public transportation system-related roadway projects on
11 state highways, county roads, or city streets; (~~and~~)

12 (f) Public transportation system contributions required to fund
13 projects under federal programs and those approved by the
14 transportation improvement board from other fund sources; and

15 (g) Reimbursement to the general fund of tax credits authorized
16 under RCW 82.04.4453 and 82.16.048, subject to appropriation.

17 **Sec. 6.** 1996 c 128 s 7 (uncodified) is amended to read as follows:

18 (1) This act takes effect July 1, 1996.

19 (2) This act expires December 31, (~~2000~~) 2006.

20 **Sec. 7.** 1996 c 128 s 6 (uncodified) is amended to read as follows:

21 This act shall expire December 31, (~~2000~~) 2006.

22 NEW SECTION. **Sec. 8.** This act is necessary for the immediate
23 preservation of the public peace, health, or safety, or support of the
24 state government and its existing public institutions and takes effect
25 July 1, 1999.

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