

SHB 2228 - H AMD 360

By Representative Simpson

ADOPTED 04/08/2003

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** DEFINITIONS. The definitions in this
4 section apply throughout this chapter and section 9 of this act unless
5 the context clearly requires otherwise.

6 (1) "Public agency" means any county, city, or other local
7 government agency or any state government agency, board, or commission.

8 (2) "Public transportation" means the same as "public
9 transportation service" as defined in RCW 36.57A.010 and includes
10 passenger services of the Washington state ferries.

11 (3) "Nonmotorized commuting" means commuting to and from the
12 workplace by an employee by walking or running or by riding a bicycle
13 or other device not powered by a motor.

14 (4) "Ride sharing" means the same as "flexible commuter ride
15 sharing" as defined in RCW 46.74.010, including ride sharing on
16 Washington state ferries.

17 (5) "Car sharing" means a membership program intended to offer an
18 alternative to car ownership under which persons or entities that
19 become members are permitted to use vehicles from a fleet on an hourly
20 basis.

21 NEW SECTION. **Sec. 2.** TAX CREDITS--BUSINESS AND OCCUPATION AND
22 PUBLIC UTILITY TAXES. (1) Employers in this state who are taxable
23 under chapter 82.04 or 82.16 RCW and provide financial incentives to
24 their own or other employees for ride sharing, for using public
25 transportation, for using car sharing, or for using nonmotorized
26 commuting before June 30, 2013, are allowed a credit against taxes
27 payable under chapters 82.04 and 82.16 RCW for amounts paid to or on
28 behalf of employees for ride sharing in vehicles carrying two or more

1 persons, for using public transportation, for using car sharing, or for
2 using nonmotorized commuting, not to exceed sixty dollars per employee
3 per year.

4 (2) Property managers who are taxable under chapter 82.04 or 82.16
5 RCW and provide financial incentives to persons employed at a worksite
6 in this state managed by the property manager for ride sharing, for
7 using public transportation, for using car sharing, or for using
8 nonmotorized commuting before June 30, 2013, are allowed a credit
9 against taxes payable under chapters 82.04 and 82.16 RCW for amounts
10 paid to or on behalf of these persons for ride sharing in vehicles
11 carrying two or more persons, for using public transportation, for
12 using car sharing, or for using nonmotorized commuting, not to exceed
13 sixty dollars per person per year.

14 (3) The credit under this section is equal to the amount paid to or
15 on behalf of each employee multiplied by fifty percent, but may not
16 exceed sixty dollars per employee per year. The credit may not exceed
17 the amount of tax that would otherwise be due under chapters 82.04 and
18 82.16 RCW.

19 (4) A person may not receive credit under this section for amounts
20 paid to or on behalf of the same employee under both chapters 82.04 and
21 82.16 RCW.

22 (5) A person may not take a credit under this section for amounts
23 claimed for credit by other persons.

24 NEW SECTION. **Sec. 3. TAX CREDIT FILING.** (1) Application for tax
25 credit under section 2 of this act may only be made in the form and
26 manner prescribed in rules adopted by the department.

27 (2) The credit under this section must be taken or deferred under
28 section 4 of this act against taxes due for the same calendar year in
29 which the amounts for which credit is claimed were paid to or on behalf
30 of employees for ride sharing, for using public transportation, for
31 using car sharing, or for using nonmotorized commuting and must be
32 claimed by the due date of the last tax return for the calendar year in
33 which the payment is made.

34 (3) Any person who knowingly makes a false statement of a material
35 fact in the application for a credit under section 2 of this act is
36 guilty of a gross misdemeanor.

1 NEW SECTION. **Sec. 4.** TAX CREDIT LIMITATIONS. (1) The department
2 shall keep a running total of all credits accrued under section 2 of
3 this act during each calendar year. No person is eligible for tax
4 credits under section 2 of this act if the credits would cause the
5 tabulation for the total amount of credits taken in any calendar year
6 to exceed two million two hundred fifty thousand dollars. This
7 limitation includes any credits carried forward under subsection (2)(b)
8 of this section from prior years.

9 (2)(a) No person is eligible for tax credits under section 2 of
10 this act in excess of the amount of tax that would otherwise be due
11 under chapter 82.04 or 82.16 RCW.

12 (b) A person with taxes equal to or in excess of the credit under
13 section 2 of this act, and therefore not subject to the limitation in
14 (a) of this subsection, may defer tax credits for a period of not more
15 than three years after the year in which the credits accrue. A person
16 deferring tax credits under this subsection (2)(b) must submit an
17 application in the year in which the tax credits will be applied. This
18 application is subject to eligibility under subsection (1) of this
19 section for the calendar year in which the tax credits will be applied.

20 (3) No person is eligible for tax credits under section 2 of this
21 act in excess of two hundred thousand dollars in any calendar year.
22 This limitation does not apply to credits deferred in prior years under
23 subsection (2)(b) of this section.

24 (4) No person is eligible for tax credits, including deferred
25 credits authorized under subsection (2)(b) of this section, after June
26 30, 2013.

27 (5) Credits may not be carried forward or carried backward other
28 than as authorized in subsection (2)(b) of this section.

29 NEW SECTION. **Sec. 5.** FUND TRANSFER. (1) The director shall on
30 the 25th of February, May, August, and November of each year advise the
31 state treasurer of the amount of credit taken under section 2 of this
32 act during the preceding calendar quarter ending on the last day of
33 December, March, June, and September, respectively.

34 (2) On the last day of March, June, September, and December of each
35 year, the state treasurer, based upon information provided by the

1 department, shall deposit to the general fund a sum equal to the dollar
2 amount of the credit provided under section 2 of this act from the
3 multimodal transportation account.

4 NEW SECTION. **Sec. 6.** COMMUTE TRIP REDUCTION REPORTING. The
5 commute trip reduction task force shall determine the effectiveness of
6 the tax credit under section 2 of this act, the grant program in
7 section 9 of this act, and the relative effectiveness of the tax credit
8 and the grant program as part of its ongoing evaluation of the commute
9 trip reduction law and report to the legislative transportation
10 committee and to the fiscal committees of the house of representatives
11 and the senate. The report must include information on the amount of
12 tax credits claimed to date and recommendations on future funding
13 between the tax credit program and the grant program. The report must
14 be incorporated into the recommendations required in RCW 70.94.537(5).

15 NEW SECTION. **Sec. 7.** ADMINISTRATION. Chapter 82.32 RCW applies
16 to the administration of this chapter.

17 NEW SECTION. **Sec. 8.** EXPIRATION. This chapter expires June 30,
18 2013, except for section 5 of this act, which expires December 31,
19 2013.

20 NEW SECTION. **Sec. 9.** A new section is added to chapter 70.94 RCW
21 to read as follows:

22 (1) The department of transportation shall administer a
23 performance-based grant program for private employers, public agencies,
24 nonprofit organizations, developers, and property managers who provide
25 financial incentives for ride sharing in vehicles carrying two or more
26 persons, for using public transportation, for using car sharing, or for
27 using nonmotorized commuting, including telework, before June 30, 2013,
28 to their own or other employees.

29 (2) The amount of the grant will be determined based on the value
30 to the transportation system of the vehicle trips reduced. The commute
31 trip reduction task force shall develop an award rate giving priority
32 to applications achieving the greatest reduction in trips and commute

1 miles per public dollar requested and considering the following
2 criteria: The local cost of providing new highway capacity, congestion
3 levels, and geographic distribution.

4 (3) No private employer, public agency, nonprofit organization,
5 developer, or property manager is eligible for grants under this
6 section in excess of one hundred thousand dollars in any calendar year.

7 (4) The total of grants provided under this section may not exceed
8 seven hundred fifty thousand dollars in any calendar year.

9 (5) The department of transportation shall report to the department
10 of revenue by the 15th day of each month the aggregate monetary amount
11 of grants provided under this section in the prior month and the
12 identity of the recipients of those grants.

13 (6) The source of funds for this grant program is the multimodal
14 transportation account.

15 (7) This section expires December 31, 2013.

16 NEW SECTION. **Sec. 10.** The following acts or parts of acts are
17 each repealed:

18 (1) RCW 82.04.4453 (Credit--Ride-sharing, public transportation, or
19 nonmotorized commuting incentives--Penalty--Report to legislature) and
20 1999 c 402 s 1, 1996 c 128 s 1, & 1994 c 270 s 2;

21 (2) RCW 82.04.4454 (Credit--Ride-sharing, public transportation, or
22 nonmotorized commuting incentives--Ceiling) and 1999 c 402 s 3, 1996 c
23 128 s 2, & 1994 c 270 s 3;

24 (3) RCW 82.16.048 (Credit--Ride-sharing, public transportation, or
25 nonmotorized commuting incentives--Penalty--Report to legislature) and
26 1999 c 402 s 2, 1996 c 128 s 3, & 1994 c 270 s 4; and

27 (4) RCW 82.16.049 (Credit--Ride-sharing, public transportation, or
28 nonmotorized commuting incentives--Ceiling) and 1999 c 402 s 4, 1996 c
29 128 s 4, & 1994 c 270 s 5.

30 NEW SECTION. **Sec. 11.** Sections 1 through 8 of this act constitute
31 a new chapter in Title 82 RCW.

32 NEW SECTION. **Sec. 12.** The code reviser shall place cross-
33 reference sections to chapter 82.-- RCW (sections 1 through 8 of this
34 act) in chapters 82.04 and 82.16 RCW.

1 NEW SECTION. **Sec. 13.** This act takes effect January 1, 2004, but
2 only if legislation that provides additional revenues, excluding
3 transfers, for the multimodal transportation account is in effect on
4 that date.

5 NEW SECTION. **Sec. 14.** Captions used in this act are not part of
6 the law."

7 Correct the title.

EFFECT: Effective January 2004, permits annually \$2.25 million in
B&O and Public Utility Tax credits for employers providing financial
incentives to employees to reduce work trips. Limits any employer to
a \$200,000 per year. Credits earned may be carried forward, but not
back.

Authorizes a \$750,000 grant program for incentive grants that will
result in the most cost-effective reductions of traffic to work sites.
The grant program is administered by the Department of Transportation
and those eligible are private and public employers, developers,
property managers, and nonprofit organizations. The maximum grant to
any one group is \$100,000. The CTR task force is to include in its
report an assessment of the relative impact of tax credits and
incentive grants.

Grant program and tax credits expire June 30, 2013.

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