

ESHB 2228 - S AMD 440  
By Senator Horn

ADOPTED 04/26/2003

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 (6) "Telework" means a program where work functions that are  
22 normally performed at a traditional workplace are instead performed by  
23 an employee at his or her home at least one day a week for the purpose  
24 of reducing the number of trips to the employee's workplace.

25 NEW SECTION. **Sec. 2.** TAX CREDITS--BUSINESS AND OCCUPATION AND  
26 PUBLIC UTILITY TAXES. (1) Employers in this state who are taxable  
27 under chapter 82.04 or 82.16 RCW and provide financial incentives to  
28 their own or other employees for ride sharing, for using public  
29 transportation, for using car sharing, or for using nonmotorized

1 commuting before July 1, 2013, are allowed a credit against taxes  
2 payable under chapters 82.04 and 82.16 RCW for amounts paid to or on  
3 behalf of employees for ride sharing in vehicles carrying two or more  
4 persons, for using public transportation, for using car sharing, or for  
5 using nonmotorized commuting, not to exceed sixty dollars per employee  
6 per year.

7 (2) Property managers who are taxable under chapter 82.04 or 82.16  
8 RCW and provide financial incentives to persons employed at a worksite  
9 in this state managed by the property manager for ride sharing, for  
10 using public transportation, for using car sharing, or for using  
11 nonmotorized commuting before July 1, 2013, are allowed a credit  
12 against taxes payable under chapters 82.04 and 82.16 RCW for amounts  
13 paid to or on behalf of these persons for ride sharing in vehicles  
14 carrying two or more persons, for using public transportation, for  
15 using car sharing, or for using nonmotorized commuting, not to exceed  
16 sixty dollars per person per year.

17 (3) The credit under this section is equal to the amount paid to or  
18 on behalf of each employee multiplied by fifty percent, but may not  
19 exceed sixty dollars per employee per year. The credit may not exceed  
20 the amount of tax that would otherwise be due under chapters 82.04 and  
21 82.16 RCW.

22 (4) A person may not receive credit under this section for amounts  
23 paid to or on behalf of the same employee under both chapters 82.04 and  
24 82.16 RCW.

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

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

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

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

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

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

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

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

27 (4) No person is eligible for tax credits, including deferred  
28 credits authorized under subsection (2)(b) of this section, after June  
29 30, 2013.

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

32 (6) No person is eligible for tax credits under section 2 of this  
33 act if the additional revenues for the multimodal transportation  
34 account created by Engrossed Substitute House Bill No. 2231 are  
35 terminated.

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

6        (2) On the last day of March, June, September, and December of each  
7 year, the state treasurer, based upon information provided by the  
8 department, shall deposit to the general fund a sum equal to the dollar  
9 amount of the credit provided under section 2 of this act from the  
10 multimodal transportation account.

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

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

24        NEW SECTION.    **Sec. 8.**    EXPIRATION.    This chapter expires July 1,  
25 2013, except for section 5 of this act, which expires January 1, 2014.

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

28        (1) To the extent that funds are appropriated, the department of  
29 transportation shall administer a performance-based grant program for  
30 private employers, public agencies, nonprofit organizations,  
31 developers, and property managers who provide financial incentives for  
32 ride sharing in vehicles carrying two or more persons, for using public

1 transportation, for using car sharing, or for using nonmotorized  
2 commuting, including telework, before July 1, 2013, to their own or  
3 other employees.

4 (2) The amount of the grant will be determined based on the value  
5 to the transportation system of the vehicle trips reduced. The commute  
6 trip reduction task force shall develop an award rate giving priority  
7 to applications achieving the greatest reduction in trips and commute  
8 miles per public dollar requested and considering the following  
9 criteria: The local cost of providing new highway capacity, congestion  
10 levels, and geographic distribution.

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

14 (4) The total of grants provided under this section may not exceed  
15 seven hundred fifty thousand dollars in any fiscal year.

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

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

22 (7) This section expires January 1, 2014.

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

25 (1) RCW 82.04.4453 (Credit--Ride-sharing, public transportation, or  
26 nonmotorized commuting incentives--Penalty--Report to legislature) and  
27 1999 c 402 s 1, 1996 c 128 s 1, & 1994 c 270 s 2;

28 (2) RCW 82.04.4454 (Credit--Ride-sharing, public transportation, or  
29 nonmotorized commuting incentives--Ceiling) and 1999 c 402 s 3, 1996 c  
30 128 s 2, & 1994 c 270 s 3;

31 (3) RCW 82.16.048 (Credit--Ride-sharing, public transportation, or  
32 nonmotorized commuting incentives--Penalty--Report to legislature) and  
33 1999 c 402 s 2, 1996 c 128 s 3, & 1994 c 270 s 4;

34 (4) RCW 82.16.049 (Credit--Ride-sharing, public transportation, or  
35 nonmotorized commuting incentives--Ceiling) and 1999 c 402 s 4, 1996 c  
36 128 s 4, & 1994 c 270 s 5; and

1 (5) RCW 47.01.900 (Commute trip reduction program--Transfer from  
2 state energy office--References to director or state energy office) and  
3 1998 c 245 s 93 & 1996 c 186 s 301.

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

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

9 NEW SECTION. **Sec. 13.** This act is necessary for the immediate  
10 preservation of the public peace, health, or safety, or support of the  
11 state government and its existing public institutions, and takes effect  
12 on July 1, 2003, but only if Engrossed Substitute House Bill No. 2231  
13 becomes law by July 1, 2003. If Engrossed Substitute House Bill No.  
14 2231 does not become law by July 1, 2003, this act is null and void.

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

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**ADOPTED 04/26/2003**

17 On page 1, line 1 of the title, after "incentives;" strike the  
18 remainder of the title and insert "adding a new section to chapter  
19 70.94 RCW; adding a new chapter to Title 82 RCW; creating new sections;  
20 repealing RCW 82.04.4453, 82.04.4454, 82.16.048, 82.16.049, and  
21 47.01.900; prescribing penalties; providing a contingent effective  
22 date; providing expiration dates; and declaring an emergency."

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