

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE HOUSE BILL 2228**

58th Legislature  
2003 Regular Session

Passed by the House April 27, 2003  
Yeas 89 Nays 9

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**Speaker of the House of Representatives**

Passed by the Senate April 26, 2003  
Yeas 38 Nays 11

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Cynthia Zehnder, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 2228** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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**ENGROSSED SUBSTITUTE HOUSE BILL 2228**

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AS AMENDED BY THE SENATE

Passed Legislature - 2003 Regular Session

**State of Washington                      58th Legislature                      2003 Regular Session**

**By** House Committee on Transportation (originally sponsored by  
Representatives Murray, Wallace, Cooper, Clibborn, Simpson,  
Rockefeller, Hudgins and Hankins)

READ FIRST TIME 04/02/03.

1            AN ACT Relating to commute trip reduction incentives; adding a new  
2 section to chapter 70.94 RCW; adding a new chapter to Title 82 RCW;  
3 creating new sections; repealing RCW 82.04.4453, 82.04.4454, 82.16.048,  
4 82.16.049, and 47.01.900; prescribing penalties; providing a contingent  
5 effective date; providing expiration dates; and declaring an emergency.

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

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

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

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

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

18            (4) "Ride sharing" means the same as "flexible commuter ride

1 sharing" as defined in RCW 46.74.010, including ride sharing on  
2 Washington state ferries.

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

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

11 NEW SECTION. **Sec. 2.** TAX CREDITS--BUSINESS AND OCCUPATION AND  
12 PUBLIC UTILITY TAXES. (1) Employers in this state who are taxable  
13 under chapter 82.04 or 82.16 RCW and provide financial incentives to  
14 their own or other employees for ride sharing, for using public  
15 transportation, for using car sharing, or for using nonmotorized  
16 commuting before July 1, 2013, are allowed a credit against taxes  
17 payable under chapters 82.04 and 82.16 RCW for amounts paid to or on  
18 behalf of employees for ride sharing in vehicles carrying two or more  
19 persons, for using public transportation, for using car sharing, or for  
20 using nonmotorized commuting, not to exceed sixty dollars per employee  
21 per year.

22 (2) Property managers who are taxable under chapter 82.04 or 82.16  
23 RCW and provide financial incentives to persons employed at a worksite  
24 in this state managed by the property manager for ride sharing, for  
25 using public transportation, for using car sharing, or for using  
26 nonmotorized commuting before July 1, 2013, are allowed a credit  
27 against taxes payable under chapters 82.04 and 82.16 RCW for amounts  
28 paid to or on behalf of these persons for ride sharing in vehicles  
29 carrying two or more persons, for using public transportation, for  
30 using car sharing, or for using nonmotorized commuting, not to exceed  
31 sixty dollars per person per year.

32 (3) The credit under this section is equal to the amount paid to or  
33 on behalf of each employee multiplied by fifty percent, but may not  
34 exceed sixty dollars per employee per year. The credit may not exceed  
35 the amount of tax that would otherwise be due under chapters 82.04 and  
36 82.16 RCW.

1 (4) A person may not receive credit under this section for amounts  
2 paid to or on behalf of the same employee under both chapters 82.04 and  
3 82.16 RCW.

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

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

9 (2) The credit under this section must be taken or deferred under  
10 section 4 of this act against taxes due for the same fiscal year in  
11 which the amounts for which credit is claimed were paid to or on behalf  
12 of employees for ride sharing, for using public transportation, for  
13 using car sharing, or for using nonmotorized commuting and must be  
14 claimed by the due date of the last tax return for the fiscal year in  
15 which the payment is made.

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

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

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

30 (b) A person with taxes equal to or in excess of the credit under  
31 section 2 of this act, and therefore not subject to the limitation in  
32 (a) of this subsection, may defer tax credits for a period of not more  
33 than three years after the year in which the credits accrue. A person  
34 deferring tax credits under this subsection (2)(b) must submit an  
35 application in the year in which the tax credits will be applied. This

1 application is subject to eligibility under subsection (1) of this  
2 section for the fiscal year in which the tax credits will be applied.

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

7 (4) No person is eligible for tax credits, including deferred  
8 credits authorized under subsection (2)(b) of this section, after June  
9 30, 2013.

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

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

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

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

26 NEW SECTION. **Sec. 6.** COMMUTE TRIP REDUCTION REPORTING. The  
27 commute trip reduction task force shall determine the effectiveness of  
28 the tax credit under section 2 of this act, the grant program in  
29 section 9 of this act, and the relative effectiveness of the tax credit  
30 and the grant program as part of its ongoing evaluation of the commute  
31 trip reduction law and report to the legislative transportation  
32 committee and to the fiscal committees of the house of representatives  
33 and the senate. The report must include information on the amount of  
34 tax credits claimed to date and recommendations on future funding  
35 between the tax credit program and the grant program. The report must  
36 be incorporated into the recommendations required in RCW 70.94.537(5).

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

3        NEW SECTION.   **Sec. 8.**   EXPIRATION.   This chapter expires July 1,  
4 2013, except for section 5 of this act, which expires January 1, 2014.

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

7            (1) To the extent that funds are appropriated, the department of  
8 transportation shall administer a performance-based grant program for  
9 private employers, public agencies, nonprofit organizations,  
10 developers, and property managers who provide financial incentives for  
11 ride sharing in vehicles carrying two or more persons, for using public  
12 transportation, for using car sharing, or for using nonmotorized  
13 commuting, including telework, before July 1, 2013, to their own or  
14 other employees.

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

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

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

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

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

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

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

1 (1) RCW 82.04.4453 (Credit--Ride-sharing, public transportation, or  
2 nonmotorized commuting incentives--Penalty--Report to legislature) and  
3 1999 c 402 s 1, 1996 c 128 s 1, & 1994 c 270 s 2;

4 (2) RCW 82.04.4454 (Credit--Ride-sharing, public transportation, or  
5 nonmotorized commuting incentives--Ceiling) and 1999 c 402 s 3, 1996 c  
6 128 s 2, & 1994 c 270 s 3;

7 (3) RCW 82.16.048 (Credit--Ride-sharing, public transportation, or  
8 nonmotorized commuting incentives--Penalty--Report to legislature) and  
9 1999 c 402 s 2, 1996 c 128 s 3, & 1994 c 270 s 4;

10 (4) RCW 82.16.049 (Credit--Ride-sharing, public transportation, or  
11 nonmotorized commuting incentives--Ceiling) and 1999 c 402 s 4, 1996 c  
12 128 s 4, & 1994 c 270 s 5; and

13 (5) RCW 47.01.900 (Commute trip reduction program--Transfer from  
14 state energy office--References to director or state energy office) and  
15 1998 c 245 s 93 & 1996 c 186 s 301.

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

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

21 NEW SECTION. **Sec. 13.** This act is necessary for the immediate  
22 preservation of the public peace, health, or safety, or support of the  
23 state government and its existing public institutions, and takes effect  
24 on July 1, 2003, but only if Engrossed Substitute House Bill No. 2231  
25 becomes law by July 1, 2003. If Engrossed Substitute House Bill No.  
26 2231 does not become law by July 1, 2003, this act is null and void.

27 NEW SECTION. **Sec. 14.** Captions used in this act are not part of  
28 the law.

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