
SENATE BILL 5024

State of Washington

59th Legislature

2005 Regular Session

By Senators Jacobsen, Kline and Shin

Read first time 01/10/2005. Referred to Committee on International Trade & Economic Development.

1 AN ACT Relating to tax incentives to encourage telework; adding a
2 new section to chapter 82.04 RCW; adding a new section to chapter 82.16
3 RCW; creating a new section; and providing an effective date.

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

5 NEW SECTION. **Sec. 1.** The legislature recognizes that commuting
6 accounts for more trips and miles traveled than any other single
7 purpose. The legislature also recognizes that telework has been found
8 to reduce commute trips and provide flexibility for work- related
9 travel. Additionally, telework enables employers to allow employees to
10 work outside of urban areas, which reduces urban commute trips while
11 strengthening rural economies. The legislature further recognizes that
12 telework is a key component in a comprehensive transportation demand
13 management package.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 82.04 RCW
15 to read as follows:

16 (1) An employer is allowed a credit against tax due under this
17 chapter for telework expenditures, including telework equipment,
18 installation costs, and telework training. A credit claimed under this

1 section may not exceed the amount of tax that would otherwise be due
2 under this chapter. The credit must be claimed in the year in which
3 the expenditure is made. The employer must make the expenditure the
4 year in which the credit is approved by the department. Approved
5 credit may not be carried over to subsequent calendar years. The
6 credit must be claimed by the due date of the last tax return for the
7 calendar year in which the expenditure is made. Any unused credit
8 expires. A refund may not be given in place of a credit. Total
9 credits claimed by a person under this section and section 3 of this
10 act may not exceed twenty thousand dollars for any tax year.
11 Expenditures made before the effective date of this act are not
12 eligible for credit. If a person has used a credit approved under
13 section 3 of this act against tax under chapter 82.16 RCW, that same
14 credit cannot be used against tax under this chapter.

15 (2) Application for credits under this section must be made before
16 making a telework expenditure. Applications must be made to the
17 department in a form and manner as required by the department. The
18 department shall approve or deny applications for credits using the
19 criteria under this subsection. The department shall keep a running
20 total of all credits approved under this subsection during each
21 calendar year, and shall deny any credit application that would cause
22 the tabulation for any calendar year to exceed three million dollars.
23 A person claiming a credit must keep records as necessary for the
24 department to verify eligibility under this section, including records
25 showing that an employee was regularly scheduled to telework from his
26 or her home two or more days per week.

27 (3) The definitions in this subsection apply for the purposes of
28 this section.

29 (a) "Telework" means a work arrangement whereby employees are
30 regularly scheduled two or more days per week to perform the normal
31 duties and responsibilities of their positions at locations other than
32 the traditional workplace, through use of computers or
33 telecommunications. The term includes only work arrangements made by
34 employers for employees and excludes persons who are self-employed.

35 (b) "Telework equipment" means:

36 (i) Desktop and laptop computers, computer-related hardware,
37 facsimile machines, modems, and similar data processing or

1 telecommunication equipment used only at an alternate worksite,
2 including an employee's home for telework purposes; and

3 (ii) Equipment installed at an employer's place of business that is
4 used exclusively to provide remote data and voice access to telework
5 employees.

6 (c) "Telework expenditures" means amounts spent, including sales or
7 use taxes paid, to purchase telework equipment or for telework
8 installation costs. The term includes only expenditures for equipment
9 and services reasonably necessary to facilitate telework.

10 (d) "Telework installation costs" means one-time expenditures for
11 installation of telecommunication access lines at an employee's home
12 for the purpose of telework.

13 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.16 RCW
14 to read as follows:

15 An employer is allowed a credit against tax due under this chapter
16 for telework expenditures, as defined in section 2 of this act. A
17 credit may be claimed under this section in the same manner as provided
18 for credits under section 2 of this act. Credits under this section are
19 subject to the same conditions and limitations as credits under section
20 2 of this act.

21 NEW SECTION. **Sec. 4.** This act takes effect October 1, 2005.

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