
SENATE BILL 6003

State of Washington

59th Legislature

2005 Regular Session

By Senator Jacobsen

Read first time 02/18/2005. Referred to Committee on Transportation.

1 AN ACT Relating to commute trip reduction tax credit; amending RCW
2 82.70.010, 82.70.020, 82.70.030, and 82.70.040; adding a new section to
3 chapter 82.70 RCW; providing an effective date; and declaring an
4 emergency.

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

6 **Sec. 1.** RCW 82.70.010 and 2003 c 364 s 1 are each amended to read
7 as follows:

8 The definitions in this section apply throughout this chapter and
9 RCW 70.94.996 unless 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 (7) "Applicant" means a person applying for a tax credit under this
12 chapter.

13 NEW SECTION. Sec. 2. A new section is added to chapter 82.70 RCW
14 to read as follows:

15 (1) Application for tax credits under this chapter must be received
16 by the department between the first day of January and the 31st day of
17 January, following the calendar year in which the applicant made
18 payments to or on behalf of employees for ride sharing in vehicles
19 carrying two or more persons, for using public transportation, for
20 using car sharing, or for using nonmotorized commuting. The
21 application shall be made to the department in a form and manner
22 prescribed by the department. The application shall contain
23 information regarding the number of employees for which incentives are
24 paid during the calendar year, the amounts paid to or on behalf of
25 employees for ride sharing in vehicles carrying two or more persons,
26 for using public transportation, for using car sharing, or for using
27 nonmotorized commuting, the amount of credit deferred under RCW
28 82.70.040(2)(b)(i) to be used, and other information required by the
29 department. For applications due by January 31, 2006, the application
30 shall not include amounts paid from January 1, 2005, through June 30,
31 2005, to or on behalf of employees for ride sharing in vehicles
32 carrying two or more persons, for using public transportation, for
33 using car sharing, or for using nonmotorized commuting.

34 (2) The department shall rule on the application within sixty days
35 of the deadline provided in subsection (1) of this section.

36 (3) The department shall disapprove any application not received by

1 the deadline provided in subsection (1) of this section regardless of
2 the reason that the application was received after the deadline.

3 (4) After an application is approved and tax credit granted, no
4 increase in the credit shall be allowed.

5 **Sec. 3.** RCW 82.70.020 and 2003 c 364 s 2 are each amended to read
6 as follows:

7 (1) Employers in this state who are taxable under chapter 82.04 or
8 82.16 RCW and provide financial incentives to their own or other
9 employees for ride sharing, for using public transportation, for using
10 car sharing, or for using nonmotorized commuting before July 1, 2013,
11 are allowed a credit against taxes payable under chapters 82.04 and
12 82.16 RCW for amounts paid to or on behalf of employees for ride
13 sharing in vehicles carrying two or more persons, for using public
14 transportation, for using car sharing, or for using nonmotorized
15 commuting, not to exceed sixty dollars per employee per fiscal year.

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

26 (3) The credit under this section is equal to the amount paid to or
27 on behalf of each employee multiplied by fifty percent, but may not
28 exceed sixty dollars per employee per fiscal year. The credit may not
29 exceed the amount of tax that would otherwise be due under chapters
30 82.04 and 82.16 RCW. No refunds may be granted for credits under this
31 section.

32 (4) A person may not receive credit under this section for amounts
33 paid to or on behalf of the same employee under both chapters 82.04 and
34 82.16 RCW.

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

1 **Sec. 4.** RCW 82.70.030 and 2003 c 364 s 3 are each amended to read
2 as follows:

3 ~~((1) Application for tax credit under RCW 82.70.020 may only be~~
4 ~~made in the form and manner prescribed in rules adopted by the~~
5 ~~department.~~

6 ~~(2) The credit under this section must be taken or deferred under~~
7 ~~RCW 82.70.040 against taxes due for the same fiscal year in which the~~
8 ~~amounts for which credit is claimed were paid to or on behalf of~~
9 ~~employees for ride sharing, for using public transportation, for using~~
10 ~~car sharing, or for using nonmotorized commuting and must be claimed by~~
11 ~~the due date of the last tax return for the fiscal year in which the~~
12 ~~payment is made.~~

13 ~~(3))~~ Any person who knowingly makes a false statement of a
14 material fact in the application required under section 2 of this act
15 for a credit under RCW 82.70.020 is guilty of a gross misdemeanor.

16 **Sec. 5.** RCW 82.70.040 and 2003 c 364 s 4 are each amended to read
17 as follows:

18 (1)(a) The department shall keep a running total of all credits
19 ~~((accrued))~~ allowed under RCW 82.70.020 during each fiscal year. ~~((No~~
20 ~~person is eligible for tax credits under RCW 82.70.020 if the credits~~
21 ~~would cause the tabulation for the total amount of credits taken in any~~
22 ~~fiscal year))~~ The department shall not allow any credits which would
23 cause the total amount allowed to exceed two million two hundred fifty
24 thousand dollars in any fiscal year. This limitation includes any
25 deferred credits carried forward under subsection (2)(b)(i) of this
26 section but does not include any credits carried forward under
27 subsection (2)(b)(ii) of this section from prior years.

28 (b) If the total amount of credit applied for by all applicants in
29 any year exceeds the limit in this subsection, the department shall
30 ratably reduce the amount of credit allowed for all applicants so that
31 the limit in this subsection is not exceeded. If an application for
32 credit under section 2 of this act includes credit deferred under
33 subsection (2)(b)(i) of this section, in addition to credit requested
34 for incentives paid in the previous calendar year, the reduction under
35 this subsection (1)(b) is applied first to credit for incentives paid
36 in the previous calendar year and then, if necessary, to any deferred
37 credit.

1 (2)(a) No person is eligible for tax credits under RCW 82.70.020 in
2 excess of the amount of tax that would otherwise be due under chapter
3 82.04 or 82.16 RCW.

4 (b)(i) Until July 1, 2005, a person with taxes equal to or in
5 excess of the credit under RCW 82.70.020, and therefore not subject to
6 the limitation in (a) of this subsection, may defer tax credits for a
7 period of not more than three years after the year in which the credits
8 accrue. No credits deferred under this subsection (2)(b)(i) may be
9 used after June 30, 2008. A person deferring tax credits under this
10 subsection (2)(b)(i) must submit an application as provided in section
11 2 of this act in the year in which the tax credits will be ((applied))
12 used. This application is subject to ((eligibility under)) the
13 provisions of subsection (1) of this section for the ((fiscal)) year in
14 which the tax credits will be applied. If a deferred credit is reduced
15 under subsection (1)(b) of this section, the amount of deferred credit
16 disallowed because of the reduction may be carried forward as long as
17 the period of deferral does not exceed three years after the year in
18 which the credit was earned.

19 (ii) For credits approved by the department after the effective
20 date of this act, the credit may be carried over until used.

21 (3) No person ((is eligible)) shall be approved for tax credits
22 under RCW 82.70.020 in excess of two hundred thousand dollars in any
23 fiscal year. This limitation does not apply to credits ((deferred in))
24 carried forward from prior years under subsection (2)(b) of this
25 section.

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

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

31 (6) No person is eligible for tax credits under RCW 82.70.020 if
32 the additional revenues for the multimodal transportation account
33 created by Engrossed Substitute House Bill No. 2231 are terminated.

34 NEW SECTION. Sec. 6. This act is necessary for the immediate
35 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and takes effect
2 July 1, 2005.

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