

# SENATE BILL REPORT

## SHB 1518

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As Reported by Senate Committee On:  
Government Operations, Tribal Relations & Elections, February 16, 2012

**Title:** An act relating to pretax payroll deductions for qualified transit and parking benefits.

**Brief Description:** Authorizing pretax payroll deductions for qualified transit and parking benefits.

**Sponsors:** House Committee on State Government & Tribal Affairs (originally sponsored by Representatives Hunt, Reykdal and Kenney).

**Brief History:** Passed House: 3/05/11, 66-31; 2/10/12, 68-29.

**Committee Activity:** Government Operations, Tribal Relations & Elections: 3/17/11, 3/21/11 [DP]; 2/16/12 [DPA].

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### SENATE COMMITTEE ON GOVERNMENT OPERATIONS, TRIBAL RELATIONS & ELECTIONS

**Majority Report:** Do pass as amended.

Signed by Senators Pridemore, Chair; Prentice, Vice Chair; Swecker, Ranking Minority Member; Chase, Nelson and Roach.

**Staff:** Karen Epps (786-7424)

**Background:** State employees and public officers may request payroll deductions for various purposes under certain circumstances, as enumerated in statute. Deductions to a financial institution may be authorized by the Office of Financial Management for purposes not enumerated but clearly related to state employment, goals of the agency, or for plans authorized by the state health care authority.

One of the enumerated purposes is to pay for parking furnished by an agency or by the Department of Enterprise Services (DES).

**Summary of Bill:** The bill as referred to committee not considered.

**Summary of Bill (Recommended Amendments):** Parking deductions from the pay of state employees and state officials may be pretax for qualified transit and parking benefits, provided the parking payment is made to the agency, DES, or a parking vendor.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**EFFECT OF CHANGES MADE BY GOVERNMENT OPERATIONS, TRIBAL RELATIONS & ELECTIONS COMMITTEE (Recommended Amendments):** Allows parking payments made to parking vendors, not limited to private parking vendors, to qualify for the pretax deduction.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony as Heard in Committee:** PRO: This bill allows both the state and state employees to save money for qualified transit and parking benefits. An amendment was suggested to broaden the savings for certain parking expenses. The amendment would provide more flexibility under the bill. The IRS code determines what deductions can be taken from employee paychecks before taxes. Parking and transit is one of the things that can be taken before taxes, but Washington needs statutory authority in order to do that. The bill grants that authority and does not change underlying policy.

**Persons Testifying:** PRO: Keith Cotton, Department of Transportation; Dennis Eagle, WA Federation of State Employees.