

# HOUSE BILL REPORT

## HB 1456

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### As Reported by House Committee On: Government Operations & Elections

**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:** Representatives Hunt, Moscoso, Seaquist, Blake, Riccelli, Reykdal, Stanford, Fitzgibbon and Bergquist.

#### **Brief History:**

##### **Committee Activity:**

Government Operations & Elections: 2/12/13, 2/19/13 [DPS].

#### **Brief Summary of Substitute Bill**

- Authorizes pretax payroll deductions for qualified transit and parking benefits.

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### HOUSE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Hunt, Chair; Bergquist, Vice Chair; Alexander, Carlyle, Fitzgibbon, Orwall and Van De Wege.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Buys, Ranking Minority Member; Taylor, Assistant Ranking Minority Member; Kristiansen and Manweller.

**Staff:** Marsha Reilly (786-7135).

#### **Background:**

Subject to specified requirements, public officers and state employees may request payroll deductions for the following:

- credit union deposit deductions;
- parking fee payment deductions;

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- United States savings bond deductions;
- deductions for board, lodging, or uniforms, when furnished by the state;
- membership dues and other fees to professional organizations;
- insurance contributions for payment of premiums under contracts authorized by the Washington State Health Care Authority;
- deductions for payments to a bank, savings bank, or savings and loan association; and
- contributions to the Washington State Combined Fund Drive.

Parking fee payroll deductions are authorized only for payments made for parking facilities furnished by an agency or by the Department of Enterprise Services (DES).

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**Summary of Substitute Bill:**

Deductions for qualified transit and parking benefits must be pretax to the extent possible, as allowed under federal internal revenue code. Eligibility for the pretax deduction requires that payment of the parking fee be made to the agency, the DES, or a private parking vendor.

**Substitute Bill Compared to Original Bill:**

The substitute bill clarifies that deductions for qualified parking and transit benefits must be pretax as allowed under the federal Internal Revenue Code.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) The bill provides a simple technical fix to statute to allow employees to have a pretax deduction for parking, similar to what is allowed by federal tax law. An amendment is needed to more closely align this with federal tax law. Some commute trip reduction benefits are no longer offered and allowing for a pretax deduction would help make up for this.

(Opposed) None.

**Persons Testifying:** Keith Cotton, Washington State Department of Transportation; and Matt Zuvich, Washington Federation of State Employees.

**Persons Signed In To Testify But Not Testifying:** None.