

SENATE BILL REPORT

SHB 1456

As Reported by Senate Committee On:
Governmental Operations, March 18, 2013

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 Government Operations & Elections (originally sponsored by Representatives Hunt, Moscoso, Seaquist, Blake, Riccelli, Reykdal, Stanford, Fitzgibbon and Bergquist).

Brief History: Passed House: 3/05/13, 65-31.

Committee Activity: Governmental Operations: 3/18/13 [DP].

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Majority Report: Do pass.

Signed by Senators Roach, Chair; Benton, Vice Chair; Hasegawa, Ranking Member; Braun, Conway and Fraser.

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

Appropriation: None.

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.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: This bill will give a very tiny pay increase to state employees who use transit and parking because it changes the deduction from post-tax to pre-tax, which is allowed under the federal code. This bill allows state employees to take advantage of federal law. Any state employee that pays for parking will save on federal taxes along with their employer. This bill provides a simple technical fix to allow state employees to save on their federal payroll tax. This is a technical bill that allows state employees to take advantage of a pre-tax benefit. Commute trip reduction has been reduced in a number of agencies because of budget cuts. This bill will provide a benefit for state employees.

Persons Testifying: PRO: Representative Hunt, prime sponsor; Keith Cotton, WA Dept. of Transportation; Karen Parkhurst, Thurston Regional Planning Council; Matt Zuvich, WA Federation of State Employees.