
SENATE BILL 5323

State of Washington 64th Legislature 2015 Regular Session

By Senators King, Hobbs, Fain, Llias, Angel, and Conway

Read first time 01/19/15. Referred to Committee on Transportation.

1 AN ACT Relating to extending and modifying the commute trip
2 reduction tax credit; amending RCW 82.70.050, 82.70.020, 82.70.025,
3 82.70.040, and 82.70.060; repealing RCW 82.70.900; providing an
4 effective date; and declaring an emergency.

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

6 **Sec. 1.** RCW 82.70.050 and 2014 c 222 s 706 are each amended to
7 read as follows:

8 (1) (~~During the 2013-2015 fiscal biennium,~~) The director
9 (~~shall~~) must on the 25th of February, May, August, and November of
10 each year advise the state treasurer of the amount of credit taken
11 under RCW 82.70.020 during the preceding calendar quarter ending on
12 the last day of December, March, June, and September, respectively.

13 (2) On the last day of March, June, September, and December of
14 each year, the state treasurer, based upon information provided by
15 the department, (~~shall~~) must deposit to the general fund a sum
16 equal to the dollar amount of the credit provided under RCW 82.70.020
17 from the multimodal transportation account.

18 **Sec. 2.** RCW 82.70.020 and 2014 c 222 s 704 are each amended to
19 read as follows:

1 (1) Employers in this state who are taxable under chapter 82.04
2 or 82.16 RCW and provide financial incentives to their own or other
3 employees for ride sharing, for using public transportation, for
4 using car sharing, or for using nonmotorized commuting (~~before July~~
5 ~~1, 2015~~), are allowed a credit against taxes payable under chapters
6 82.04 and 82.16 RCW for amounts paid to or on behalf of employees for
7 ride sharing in vehicles carrying two or more persons, for using
8 public transportation, for using car sharing, or for using
9 nonmotorized commuting, not to exceed sixty dollars per employee per
10 fiscal year.

11 (2) Property managers who are taxable under chapter 82.04 or
12 82.16 RCW and provide financial incentives to persons employed at a
13 worksite in this state managed by the property manager for ride
14 sharing, for using public transportation, for using car sharing, or
15 for using nonmotorized commuting (~~before July 1, 2015~~), are allowed
16 a credit against taxes payable under chapters 82.04 and 82.16 RCW for
17 amounts paid to or on behalf of these persons for ride sharing in
18 vehicles carrying two or more persons, for using public
19 transportation, for using car sharing, or for using nonmotorized
20 commuting, not to exceed sixty dollars per person per fiscal year.

21 (3) The credit under this section is equal to the amount paid to
22 or on behalf of each employee multiplied by fifty percent, but may
23 not exceed sixty dollars per employee per fiscal year. No refunds may
24 be granted for credits under this section.

25 (4) A person may not receive credit under this section for
26 amounts paid to or on behalf of the same employee under both chapters
27 82.04 and 82.16 RCW.

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

30 **Sec. 3.** RCW 82.70.025 and 2005 c 297 s 2 are each amended to
31 read as follows:

32 (1) Application for tax credits under this chapter must be
33 received by the department between the first day of January and the
34 31st day of January, following the calendar year in which the
35 applicant made payments to or on behalf of employees for ride sharing
36 in vehicles carrying two or more persons, for using public
37 transportation, for using car sharing, or for using nonmotorized
38 commuting. The application (~~shall~~) must be made to the department
39 in a form and manner prescribed by the department. The application

1 (~~shall~~) must contain information regarding the number of employees
2 for which incentives are paid during the calendar year, the amounts
3 paid to or on behalf of employees for ride sharing in vehicles
4 carrying two or more persons, for using public transportation, for
5 using car sharing, or for using nonmotorized commuting, (~~the amount~~
6 ~~of credit deferred under RCW 82.70.040(2)(b)(i) to be used, and other~~
7 ~~information required by the department. For applications due by~~
8 ~~January 31, 2006, the application shall not include amounts paid from~~
9 ~~January 1, 2005, through June 30, 2005, to or on behalf of employees~~
10 ~~for ride sharing in vehicles carrying two or more persons, for using~~
11 ~~public transportation, for using car sharing, or for using~~
12 ~~nonmotorized commuting)) and other information required by the
13 department.~~

14 (2) The department (~~shall~~) must rule on the application within
15 sixty days of the deadline provided in subsection (1) of this
16 section.

17 (3)(a) The department (~~shall~~) must disapprove any application
18 not received by the deadline provided in subsection (1) of this
19 section (~~regardless of the reason that the application was received~~
20 ~~after the deadline)) except that the department may accept
21 applications received up to fifteen calendar days after the deadline
22 if the application was not received by the deadline because of
23 circumstances beyond the control of the taxpayer.~~

24 (b) In making a determination whether the failure of a taxpayer
25 to file an application by the deadline was the result of
26 circumstances beyond the control of the taxpayer, the department must
27 be guided by rules adopted by the department for the waiver or
28 cancellation of penalties when the underpayment or untimely payment
29 of any tax was due to circumstances beyond the control of the
30 taxpayer.

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

33 (5) To claim a credit under this chapter, a person must
34 electronically file with the department all returns, forms, and other
35 information the department requires in an electronic format as
36 provided or approved by the department. Any return, form, or
37 information required to be filed in an electronic format under this
38 section is not filed until received by the department in an
39 electronic format. As used in this subsection, "returns" has the same
40 meaning as "return" in RCW 82.32.050.

1 **Sec. 4.** RCW 82.70.040 and 2014 c 222 s 705 are each amended to
2 read as follows:

3 (1)(a)(i) The department (~~shall~~) must keep a running total of
4 all credits allowed under RCW 82.70.020 during each fiscal year. The
5 department (~~shall~~) may not allow any credits that would cause the
6 total amount allowed to exceed (~~two~~) five million (~~seven hundred~~
7 ~~fifty thousand~~) dollars in any fiscal year. (~~This limitation~~
8 ~~includes any deferred credits carried forward under subsection~~
9 ~~(2)(b)(i) of this section from prior years.~~)

10 (ii) During the 2013-2015 fiscal biennium, the department
11 (~~shall~~) may not allow any credits that would cause the total amount
12 allowed to exceed one million five hundred thousand dollars in any
13 fiscal year. (~~This limitation includes any deferred credits carried~~
14 ~~forward under subsection (2)(b)(i) of this section from prior~~
15 ~~years.~~)

16 (b) If the total amount of credit applied for by all applicants
17 in any year exceeds the limit in this subsection, the department
18 (~~shall~~) must ratably reduce the amount of credit allowed for all
19 applicants so that the limit in this subsection is not exceeded. If a
20 credit is reduced under this subsection, the amount of the reduction
21 may not be carried forward and claimed in subsequent fiscal years.

22 (2)(a) Tax credits under RCW 82.70.020 may not be claimed in
23 excess of the amount of tax otherwise due under chapter 82.04 or
24 82.16 RCW.

25 (b)(~~(i)~~) ~~Through June 30, 2005, a person with taxes equal to or~~
26 ~~in excess of the credit under RCW 82.70.020, and therefore not~~
27 ~~subject to the limitation in (a) of this subsection, may elect to~~
28 ~~defer tax credits for a period of not more than three years after the~~
29 ~~year in which the credits accrue. No credits deferred under this~~
30 ~~subsection (2)(b)(i) may be used after June 30, 2008. A person~~
31 ~~deferring tax credits under this subsection (2)(b)(i) must submit an~~
32 ~~application as provided in RCW 82.70.025 in the year in which the~~
33 ~~deferred tax credits will be used. This application is subject to the~~
34 ~~provisions of subsection (1) of this section for the year in which~~
35 ~~the tax credits will be applied. If a deferred credit is reduced~~
36 ~~under subsection (1)(b) of this section, the amount of deferred~~
37 ~~credit disallowed because of the reduction may be carried forward as~~
38 ~~long as the period of deferral does not exceed three years after the~~
39 ~~year in which the credit was earned.~~

1 ~~(ii))~~) For credits approved by the department (~~(after June 30,~~
2 2005)), the approved credit may be carried forward to subsequent
3 years until used. Credits carried forward as authorized by this
4 subsection are subject to the limitation in subsection (1)(a) of this
5 section for the fiscal year for which the credits were originally
6 approved.

7 (3) No person (~~(shall)~~) may be approved for tax credits under RCW
8 82.70.020 in excess of two hundred thousand dollars in any fiscal
9 year. This limitation does not apply to credits carried forward from
10 prior years under subsection (2)(b) of this section.

11 ~~(4) ((No person may claim tax credits after June 30, 2015.~~

12 ~~(5) Credits may not be carried forward other than as authorized~~
13 ~~in subsection (2)(b) of this section.~~

14 ~~(6))~~) No person is eligible for tax credits under RCW 82.70.020
15 if the additional revenues for the multimodal transportation account
16 created by Engrossed Substitute House Bill No. 2231 (chapter 361,
17 Laws of 2003) are terminated.

18 **Sec. 5.** RCW 82.70.060 and 2005 c 319 s 138 are each amended to
19 read as follows:

20 The commute trip reduction (~~(task force shall determine the~~
21 ~~effectiveness of the tax credit under RCW 82.70.020, the grant~~
22 ~~program in RCW 70.94.996, and the relative effectiveness of the tax~~
23 ~~credit and the grant program)) board must determine the effectiveness~~

24 of the tax credit under RCW 82.70.020 as part of its ongoing
25 evaluation of the commute trip reduction law (~~(and report to the~~
26 ~~senate and house transportation committees and to the fiscal~~
27 ~~committees of the house of representatives and the senate. The report~~
28 ~~must include information on the amount of tax credits claimed to date~~
29 ~~and recommendations on future funding between the tax credit program~~
30 ~~and the grant program. The report must be incorporated into the~~
31 ~~recommendations required in RCW 70.94.537(5))~~). The department must
32 provide requested information to the commute trip reduction board for
33 its assessment.

34 NEW SECTION. **Sec. 6.** RCW 82.70.900 (Expiration of chapter) and
35 2014 c 222 s 707, 2013 c 306 s 720, & 2003 c 364 s 8 are each
36 repealed.

1 NEW SECTION. **Sec. 7.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of
3 the state government and its existing public institutions, and takes
4 effect June 30, 2015.

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