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**HOUSE BILL 1472**

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**State of Washington 66th Legislature 2019 Regular Session**

**By** Representatives Young, Shea, Walsh, and Eslick

AN ACT Relating to assisting persons with special transportation needs by providing tax incentives to businesses; adding a new section to chapter 82.04 RCW; creating new sections; providing an effective date; and providing an expiration date.

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

NEW SECTION. **Sec.**  The legislature recognizes the need for public policies to support persons with special transportation needs. For decades the state has fully exempted social service agencies and nonprofit transportation providers who serve these citizens from the business and occupation tax and public utility tax, yet challenges remain for this population to obtain a frequency and reliability of transportation service that will allow them regular, full-time employment. Therefore, the legislature intends to offer a tax incentive to increase private for-profit transportation options and make them more affordable for persons with special transportation needs.

NEW SECTION. **Sec.**  (1) This section is the tax preference performance statement for the tax preference contained in section 3, chapter . . ., Laws of 2019 (section 3 of this act). This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes this tax preference as one intended to induce certain designated behavior by taxpayers, as indicated in RCW 82.32.808(2)(a).

(3) It is the legislature's specific public policy objective to increase the mobility of persons with special transportation needs, particularly the ability to obtain and maintain employment, by decreasing the time spent waiting for public or nonprofit transportation to take them to and from work. It is the legislature's intent to provide a tax incentive in order to incentivize private sector transportation providers to actively seek out opportunities to better serve this population and to reduce the price charged to these customers, so that private for-hire transportation may become an affordable option.

(4) If a review finds that more than ten thousand route trips have been taken in any year by persons with special transportation needs with private for-profit transportation providers, and that the number of route trips taken is increasing year over year, then the legislature intends to extend the expiration of the tax preference.

(5) In order to obtain the data necessary to perform the review in subsection (3) of this section, the joint legislative audit and review committee may refer to the reports required to be filed in section 3 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 82.04 RCW to read as follows:

(1) In computing the tax under this chapter, a credit is available for an eligible person that provides transportation for persons with special transportation needs. The amount of the credit is an amount equal to the mileage rate multiplied by the number of miles a person with special transportation needs is driven to or from a place of employment. The maximum credit per year per taxpayer is ten thousand dollars.

(2) The maximum credit amount available under this section is five hundred thousand dollars per calendar year statewide. The department must provide notice when the statewide maximum credits are claimed. The credit under this section is available on a first-come basis to Washington residents. The credit amount may not exceed the amount due under this chapter.

(3) No application is required for this credit. The eligible person must keep records necessary for the department to verify eligibility.

(4) Any portion of the credit under this section not used in the year earned may not be carried over to subsequent years.

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

(6) Any eligible person receiving a credit under this section is required to file a report to the department that includes the number of persons with special transportation needs served, the number and mileage of each qualified route, and any other information that the department may require to determine eligibility.

(7) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Eligible recipients" means any providers of "for hire vehicles" as defined in RCW 46.72.010, ride-sharing vehicles under chapter 46.74 RCW, vehicles used by nonprofit transportation providers for elderly or handicapped persons and their attendants under chapter 81.66 RCW, and any auto transportation company under RCW 81.68.010.

(b) "Mileage rate" means the rate established by the department annually each year that is the same as the annual standard mileage rate for a business established by the internal revenue service pursuant to section 274(d) of the internal revenue code.

(c) "Persons with special transportation needs" means those persons, including their personal attendants, who because of an intellectual or developmental disability and low income are unable to transport themselves or to purchase appropriate transportation.

(8) This section expires January 1, 2030.

NEW SECTION. **Sec.**  This act takes effect January 1, 2020.

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