

Chapter 82.70 RCW
COMMUTE TRIP REDUCTION INCENTIVES

Sections

82.70.010	Definitions.
82.70.020	Tax credit authorized.
82.70.025	Application for tax credit.
82.70.030	False statement in application—Penalty.
82.70.040	Tax credit limitations.
82.70.060	Commute trip reduction board.
82.70.070	Administration.
82.70.900	Expiration of chapter.

RCW 82.70.010 Definitions. (Expires July 1, 2025.) The definitions in this section apply throughout this chapter and *RCW 70.94.996 unless the context clearly requires otherwise.

(1) "Applicant" means a person applying for a tax credit under this chapter.

(2) "Car sharing" means a membership program intended to offer an alternative to car ownership under which persons or entities that become members are permitted to use vehicles from a fleet on an hourly basis.

(3) "Nonmotorized commuting" means commuting to and from the workplace by an employee by walking or running or by riding a bicycle or other device not powered by a motor.

(4) "Public agency" means any county, city, or other local government agency or any state government agency, board, or commission.

(5) "Public transportation" means the same as "public transportation service" as defined in RCW 36.57A.010 and includes passenger services of the Washington state ferries.

(6) "Ride sharing" means the same as "ride sharing" as defined in RCW 46.74.010, including ride sharing on Washington state ferries.

(7) "Telework" means a program where work functions that are normally performed at a traditional workplace are instead performed by an employee at his or her home at least one day a week for the purpose of reducing the number of trips to the employee's workplace. [2021 c 135 s 10; 2005 c 297 s 1; 2003 c 364 s 1.]

Reviser's note: *(1) RCW 70.94.996 expired January 1, 2014.

(2) The definitions in this section have been alphabetized pursuant to RCW 1.08.015(2)(k).

Effective date—2021 c 135: See note following RCW 46.18.285.

Effective date—2005 c 297: See note following RCW 82.70.025.

Effective date—Contingency—Captions not law—2003 c 364: See notes following RCW 82.70.020.

RCW 82.70.020 Tax credit authorized. (Expires July 1, 2025.)

(1) Employers in this state who are taxable under chapter 82.04 or 82.16 RCW and provide financial incentives to their own or other employees for ride sharing, for using public transportation, for using

car sharing, or for using nonmotorized commuting before January 1, 2025, are allowed a credit against taxes payable under chapters 82.04 and 82.16 RCW for amounts paid to or on behalf of employees for ride sharing in vehicles carrying two or more persons, for using public transportation, for using car sharing, or for using nonmotorized commuting, not to exceed \$60 per employee per fiscal year.

(2) Property managers who are taxable under chapter 82.04 or 82.16 RCW and provide financial incentives to persons employed at a worksite in this state managed by the property manager for ride sharing, for using public transportation, for using car sharing, or for using nonmotorized commuting before January 1, 2024, are allowed a credit against taxes payable under chapters 82.04 and 82.16 RCW for amounts paid to or on behalf of these persons for ride sharing in vehicles carrying two or more persons, for using public transportation, for using car sharing, or for using nonmotorized commuting, not to exceed \$60 per person per fiscal year.

(3) The credit under this section is equal to the amount paid to or on behalf of each employee multiplied by 50 percent, but may not exceed \$60 per employee per fiscal year. No refunds may be granted for credits under this section.

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

(5) A person may not take a credit under this section for amounts claimed for credit by other persons. [2024 c 310 s 608; 2015 3rd sp.s. c 44 s 413; 2015 1st sp.s. c 10 s 708; 2014 c 222 s 704; 2013 c 306 s 718; 2005 c 297 s 3; 2003 c 364 s 2.]

Tax preference performance statement—2024 c 310 s 608: "(1) This section is the tax preference performance statement for section 608, chapter 310, Laws of 2024. 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 the preferential tax treatment.

(2) The tax preference performance statement in section 413, chapter 44, Laws of 2015 3rd sp. sess. applies to the expansion of the tax preference in section 608 of this act." [2024 c 310 s 615.]

Effective date—2024 c 310: See note following RCW 14.40.020.

Effective date—2015 3rd sp.s. c 44: See note following RCW 46.68.395.

Tax preference performance statement—2015 3rd sp.s. c 44: "This section is the tax preference performance statement for the tax preference contained in RCW 82.70.020. 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.

(1) 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).

(2) It is the legislature's specific public policy objective to reduce traffic congestion, automobile-related air pollution and energy use through employer-based programs that encourage the use of

alternatives to the single-occupant vehicle traveling during peak traffic periods for the commute trip. It is the legislature's intent to extend the commute trip reduction tax credit, which encourages employers to provide financial incentives to their employees for using ride sharing, public transportation, car sharing, or nonmotorized commuting. Pursuant to chapter 43.136 RCW, the joint legislative audit and review committee must review the commute trip reduction tax credit established under RCW 82.70.020 by December 1, 2024.

(3) If a review finds that the percentage of Washingtonians using commute alternatives is increasing, then the legislature intends for the legislative auditor to recommend extending the expiration date of the tax preferences.

(4) In order to obtain the data necessary to perform the review in subsection (3) of this section, the joint legislative audit and review committee should refer to the office of financial management's results Washington sustainable transportation performance metric or data used by the department of transportation's commute trip reduction program." [2015 3rd sp.s. c 44 s 419.]

Effective date—2015 1st sp.s. c 10: See note following RCW 43.19.642.

Effective date—2014 c 222: See note following RCW 47.28.030.

Effective date—2013 c 306: See note following RCW 47.64.170.

Effective date—2005 c 297: See note following RCW 82.70.025.

Effective date—Contingency—2003 c 364: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect on July 1, 2003, but only if Engrossed Substitute House Bill No. 2231 becomes law by July 1, 2003. If Engrossed Substitute House Bill No. 2231 does not become law by July 1, 2003, this act is null and void." [2003 c 364 s 13.] Engrossed Substitute House Bill No. 2231 was signed into law by the governor on May 19, 2003.

Captions not law—2003 c 364: "Captions used in this act are not part of the law." [2003 c 364 s 14.]

RCW 82.70.025 Application for tax credit. (Expires July 1, 2025.) (1) Application for tax credits under this chapter must be received by the department between the first day of January and the 31st day of January, following the calendar year in which the applicant made payments to or on behalf of employees for ride sharing in vehicles carrying two or more persons, for using public transportation, for using car sharing, or for using nonmotorized commuting. The application must be made to the department in a form and manner prescribed by the department. The application must contain information regarding the number of employees for which incentives are paid during the calendar year, the amounts paid to or on behalf of employees for ride sharing in vehicles carrying two or more persons, for using public transportation, for using car sharing, or for using

nonmotorized commuting, and other information required by the department.

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

(3) (a) The department must disapprove any application not received by the deadline provided in subsection (1) of this section except that the department may accept applications received up to fifteen calendar days after the deadline if the application was not received by the deadline because of circumstances beyond the control of the taxpayer.

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

(4) After an application is approved and tax credit granted, no increase in the credit is allowed.

(5) To claim a credit under this chapter, a person must electronically file with the department all returns, forms, and other information the department requires in an electronic format as provided or 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. [2015 3rd sp.s. c 44 s 417; 2005 c 297 s 2.]

Effective date—2015 3rd sp.s. c 44: See note following RCW 46.68.395.

Effective date—2005 c 297: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2005." [2005 c 297 s 6.]

RCW 82.70.030 False statement in application—Penalty. (Expires July 1, 2025.) Any person who knowingly makes a false statement of a material fact in the application required under RCW 82.70.025 for a credit under RCW 82.70.020 is guilty of a gross misdemeanor. [2005 c 297 s 4; 2003 c 364 s 3.]

Effective date—2005 c 297: See note following RCW 82.70.025.

Effective date—Contingency—Captions not law—2003 c 364: See notes following RCW 82.70.020.

RCW 82.70.040 Tax credit limitations. (Expires July 1, 2025.)

(1) (a) The department must keep a running total of all credits allowed under RCW 82.70.020 during each fiscal year. The department may not allow any credits that would cause the total amount allowed to exceed \$2,750,000 in any fiscal year.

(b) If the total amount of credit applied for by all applicants in any year exceeds the limit in this subsection, the department must

ratably reduce the amount of credit allowed for all applicants so that the limit in this subsection is not exceeded. If a credit is reduced under this subsection, the amount of the reduction may not be carried forward and claimed in subsequent fiscal years.

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

(b) Through June 30, 2005, a person with taxes equal to or in excess of the credit under RCW 82.70.020, and therefore not subject to the limitation in (a) of this subsection, may elect to defer tax credits for a period of not more than three years after the year in which the credits accrue. For credits approved by the department through June 30, 2015, the approved credit may be carried forward and used for tax reporting periods through December 31, 2016. Credits approved after June 30, 2015, must be used for tax reporting periods within the calendar year for which they are approved by the department and may not be carried forward to subsequent tax reporting periods. Credits carried forward as authorized by this subsection are subject to the limitation in subsection (1) (a) of this section for the fiscal year for which the credits were originally approved.

(3) No person may be approved for tax credits under RCW 82.70.020 in excess of \$100,000 in any fiscal year. This limitation does not apply to credits carried forward from prior years under subsection (2) (b) of this section.

(4) No person may claim tax credits after June 30, 2025. [2024 c 310 s 609; 2022 c 182 s 311; 2016 c 32 s 3; 2015 3rd sp.s. c 44 s 414; 2015 1st sp.s. c 10 s 709; 2014 c 222 s 705; 2013 c 306 s 719; 2005 c 297 s 5; 2003 c 364 s 4.]

Effective date—2024 c 310: See note following RCW 14.40.020.

Intent—Effective date—2022 c 182: See notes following RCW 70A.65.240.

Intent—Retroactive application—Effective date—2016 c 32: See notes following RCW 46.20.202.

Effective date—2015 3rd sp.s. c 44: See note following RCW 46.68.395.

Effective date—2015 1st sp.s. c 10: See note following RCW 43.19.642.

Effective date—2014 c 222: See note following RCW 47.28.030.

Effective date—2013 c 306: See note following RCW 47.64.170.

Effective date—2005 c 297: See note following RCW 82.70.025.

Effective date—Contingency—Captions not law—2003 c 364: See notes following RCW 82.70.020.

RCW 82.70.060 Commute trip reduction board. (Expires July 1, 2025.) The commute trip reduction board must determine the effectiveness of the tax credit under RCW 82.70.020 as part of its

ongoing evaluation of the commute trip reduction law. The department must provide requested information to the commute trip reduction board for its assessment. [2015 3rd sp.s. c 44 s 418; 2005 c 319 s 138; 2003 c 364 s 6.]

Effective date—2015 3rd sp.s. c 44: See note following RCW 46.68.395.

Expiration date—2005 c 319 s 138: "Section 138 of this act expires July 1, 2013." [2005 c 319 s 146.]

Findings—Intent—Part headings—Effective dates—2005 c 319: See notes following RCW 43.17.020.

Effective date—Contingency—Captions not law—2003 c 364: See notes following RCW 82.70.020.

RCW 82.70.070 Administration. (*Expires July 1, 2025.*) Chapter 82.32 RCW applies to the administration of this chapter. [2003 c 364 s 7.]

Effective date—Contingency—Captions not law—2003 c 364: See notes following RCW 82.70.020.

RCW 82.70.900 Expiration of chapter. (*Expires July 1, 2025.*) This chapter expires July 1, 2025. [2024 c 310 s 610; 2023 c 374 s 18; 2015 3rd sp.s. c 44 s 416; 2015 1st sp.s. c 10 s 711; 2014 c 222 s 707; 2013 c 306 s 720; 2003 c 364 s 8.]

Effective date—2024 c 310: See note following RCW 14.40.020.

Effective date—2015 3rd sp.s. c 44: See note following RCW 46.68.395.

Effective date—2015 1st sp.s. c 10: See note following RCW 43.19.642.

Effective date—2014 c 222: See note following RCW 47.28.030.

Effective date—2013 c 306: See note following RCW 47.64.170.

Effective date—Contingency—Captions not law—2003 c 364: See notes following RCW 82.70.020.