



Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

JUNE 25, 2013

Commute Trip Reduction Tax Credit Extended

Introduction

The Commute Trip Reduction (CTR) tax credit provided by [RCW 82.70](#) has been extended to July 1, 2014. The program was due to expire July 1, 2013. The law was also amended and reduces the statewide cap on the credit from \$2.75 million to \$1.5 million per fiscal year. The amendments to the law are effective immediately. (See Engrossed Substitute Senate Bill (ESSB) [5024](#).)

Note: *CTR incentive payments paid by employers or property managers from January 1 – June 30, 2014, will not accrue CTR credit.*

Key components of the original program

- Employers and property managers who provide commute trip reduction incentives to or on behalf of their own or other employees are eligible for a credit against their business and occupation (B&O) or public utility tax (PUT) liability.
- Commute trip reduction methods that qualify for the credit are ride sharing, public transportation, car sharing, and non-motorized commuting.
- The credit is equal to 50 percent of the incentive payments paid by the employer or property manager, not to exceed \$60 per employee per year.
- No employer or property manager may receive more than \$200,000 of credit per fiscal year. This cap does not apply to credits carried forward from prior years.
- The employer or property manager applies to the Department of Revenue the following January for a credit based on the incentives paid in the prior calendar year.
- The Department authorizes credits to the applicants. Each applicant's available credit is prorated based on the statewide cap.
- Applicants can apply the credit to B&O tax and PUT owed by them. If an applicant is unable to use all its available credit, the credit can be carried forward until used.
- The credit may not exceed the amount of B&O and PUT taxes owed by an applicant during the reporting period. The same credit may not be claimed for both B&O and PUT taxes.

Changes to the program under the new law

- The program now expires July 1, 2014.
- No credits may be claimed after June 30, 2014.
- The statewide cap is reduced to \$1.5 million dollars for the applications filed in January 2014.

How am I impacted by the July 1, 2014, expiration date?

- CTR incentive payments paid by employers or property managers from January 1 – June 30, 2014, will not accrue CTR credit.
- The last application for CTR tax credit will be in January 2014 for CTR payments made in calendar year 2013.
- Returns filed after June 30, 2014, will not qualify for the CTR credit. For example:
 - June 2014 return filed July 25, 2014, will not qualify for the CTR credit.
 - Annual 2014 return filed January 31, 2015, will not qualify for the CTR credit.
 - Quarter 2, 2014 return filed July 31, 2014, will not qualify for the CTR credit.

How will the statewide cap of 1.5 million affect CTR credits?

- The statewide cap for applications submitted in January 2014 will be \$1.5 million. All credits will be prorated accordingly as not to exceed the statewide cap.
- Businesses that have unused credits issued to them in previous years may continue to claim those credits on returns filed by June 30, 2014.

Filing changes to maximize your CTR credit

Monthly filers:

- Last regular filing date for tax returns that use CTR tax credit is June 25, 2014 (for tax period May 2014).

Quarterly filers:

- Last regular filing date for tax returns that use CTR tax credit is April 30, 2014 (for Quarter 1, 2014).
- You may call the Department and have your filing frequency changed to monthly for April – June 2014.

Annual filers:

- Last regular filing date for tax returns that use CTR tax credit is January 30, 2014 (for tax period calendar year 2013).
- You may call the Department and have your filing frequency changed to quarterly or monthly for 2014.

If you wish to change your filing frequency, please call our Telephone Information Center at 1-800-647-7706.

E-File Requirements

Please note that monthly and quarterly filers are required to file and pay electronically. These requirements may be waived by the Department if a business can show “good cause” why they cannot file and pay electronically. For additional information, see [RCW 82.32.080](#).

To request a waiver, please send a written request with explanation to:

Electronic Filing and Payment Team

Department of Revenue
PO Box 47476
Olympia, WA 98504-7476

Application information

Application is required between January 1 and January 31, 2014, to receive credit for incentive payments paid in 2013.

- [Apply online](#) through My Account
- Apply by paper using [Commuter Trip Reduction Credit Annual Application](#)

Additional information

- Information regarding the program, see [RCW 82.70](#).
- Questions about the application, call the Taxpayer Account Administration Division at (360) 902-7175.
- Help claiming the CTR credit, call our Telephone Information Center at 1-800-647-7706.