
HOUSE BILL 1472

State of Washington

66th Legislature

2019 Regular Session

By Representatives Young, Shea, and Walsh

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

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

6 NEW SECTION. **Sec. 1.** The legislature recognizes the need for
7 public policies to support persons with special transportation needs.
8 For decades the state has fully exempted social service agencies and
9 nonprofit transportation providers who serve these citizens from the
10 business and occupation tax and public utility tax, yet challenges
11 remain for this population to obtain a frequency and reliability of
12 transportation service that will allow them regular, full-time
13 employment. Therefore, the legislature intends to offer a tax
14 incentive to increase private for-profit transportation options and
15 make them more affordable for persons with special transportation
16 needs.

17 NEW SECTION. **Sec. 2.** (1) This section is the tax preference
18 performance statement for the tax preference contained in section 3,
19 chapter . . ., Laws of 2019 (section 3 of this act). This performance
20 statement is only intended to be used for subsequent evaluation of

1 the tax preference. It is not intended to create a private right of
2 action by any party or be used to determine eligibility for
3 preferential tax treatment.

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

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

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

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

26 NEW SECTION. **Sec. 3.** A new section is added to chapter 82.04
27 RCW to read as follows:

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

35 (2) The maximum credit amount available under this section is
36 five hundred thousand dollars per calendar year statewide. The
37 department must provide notice when the statewide maximum credits are
38 claimed. The credit under this section is available on a first-come

1 basis to Washington residents. The credit amount may not exceed the
2 amount due under this chapter.

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

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

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

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

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

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

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

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

37 (8) This section expires January 1, 2030.

1 NEW SECTION. **Sec. 4.** This act takes effect January 1, 2020.

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