

SPECIAL NOTICE

May 31, 2006

For further information contact:

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1-800-647-7706 or (360) 705-6676

Alternate Formats (360) 705-6715
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Public Transportation Agencies May Deduct Fare Revenue

Public transportation agencies may deduct amounts received from fares, fees, or charges imposed on persons for transit services effective June 7, 2006. The agencies must spend an amount equal to the reduction in tax provided by this tax deduction solely to adjust routes to improve access for citizens using food banks and senior citizen services or to extend or add new routes to assist low-income citizens and seniors. (SB 6826 Chapter 336, Laws of 2006)

Public transportation agencies are municipalities as defined in RCW 35.58.272 and urban public transportation systems as defined in RCW 47.04.082. This includes all systems for the public transportation of persons or property by buses, street cars, trains, electric trolley coaches, other public transit vehicles, or any such combination operating mainly in or through urban areas and owned and operated by the state, city, county or any municipal corporation of the state, including public transportation districts and authorities.

When taking the deduction on their tax return, public transportation agencies must:

- include the income in the gross amount on column one under the urban or motor transportation classification of the public utility tax; then
- take a deduction in column two and on the deduction sheet on the "other" line.

All private and commercial businesses that provide transportation services, including subcontractors to public transportation agencies, are not eligible for the deduction.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users please call 1-800-451-7985.