Commute Trip Reduction Tax Credit Extended to June 2015

Introduction
The Commute Trip Reduction (CTR) tax credit provided by RCW 82.70 has been extended to June 30, 2015, effective immediately. The program was due to expire July 1, 2014. (See Engrossed Substitute Senate Bill (ESSB) 6001.)

Note: If the program is not extended after June 30, 2015, CTR incentive payments paid by employers or property managers from January 1 – June 30, 2015, will not accrue CTR credit.

Key components of the original program
• Employers and property managers who provide CTR 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.
• CTR 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 may be 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 applied may not exceed the amount of B&O and PUT taxes owed. The same credit may not be claimed for both B&O and PUT taxes.
• The statewide cap was reduced to $1.5 million dollars for applications filed in January 2014 and 2015.
How am I impacted by the June 30, 2015, expiration date?

- If you pay CTR incentives from January 1 – June 30, 2015, they will not accrue CTR credit.
- Your last opportunity to apply for CTR tax credits will be in January 2015 for payments made in calendar year 2014.
- Returns you file after June 30, 2015, will not qualify for the CTR credit. For example:
  - June 2015 return filed July 25, 2015, will not qualify for the CTR credit.
  - Annual 2015 return filed January 31, 2016, will not qualify for the CTR credit.
  - Quarter 2, 2015 return filed July 31, 2015, 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 and January 2015 will be $1.5 million. All credits will be prorated so they don’t exceed the statewide cap.

Businesses that have unused credits issued in previous years may continue to claim those credits on returns filed by June 30, 2015.

Filing changes to maximize your CTR credit

- **Monthly filers:**
  - Last regular filing date for tax returns that use CTR tax credit is June 25, 2015 (for tax period May 2015).

- **Quarterly filers:**
  - Last regular filing date for tax returns that use CTR tax credit is April 30, 2015 (for Quarter 1, 2015).
  - You may call the Department and have your filing frequency changed to monthly for April – June 2015.

- **Annual filers:**
  - Last regular filing date for tax returns that use CTR tax credit is January 30, 2015 (for tax period calendar year 2014).
  - You may call the Department and have your filing frequency changed to quarterly or monthly for 2015.

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

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Application information
To receive credit for incentive payments made in 2014, you must apply between January 1 and January 31, 2015.

- **Apply online** through My Account
- Apply by paper using Commute Trip Reduction Credit Annual Application

Additional information
- For more information about the program, see RCW 82.70.
- For help completing the application, call the Taxpayer Account Administration Division at (360) 902-7175.
- For help claiming the CTR credit, call our Telephone Information Center at 1-800-647-7706.