



Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

OCTOBER 2, 2015

Commuter Trip Reduction Tax Credit extended to July 1, 2024

The Commuter Trip Reduction (CTR) tax credit provided by [Chapter 82.70 RCW](#) has been extended. The credit expires July 1, 2024. It was due to expire June 30, 2017. In addition to extending the credit, several changes have been made to the program.

(See Second Engrossed Substitute Senate Bill ([2ESSB 5987](#)), Chapter 44, Laws of 2015, Sections 413 – 419)

Changes to the program

The CTR tax credit for providing commuter trip reduction incentives to employees has been extended with the following changes:

- Requires businesses to electronically apply for the credit and claim the credit.
- Allows carryover credits be used for tax reporting periods through December 31, 2016;
- Requires that all credits approved after June 30, 2015, be used for tax reporting periods within the calendar year they are approved by DOR;
- Lowers the maximum credit a taxpayer can receive per year to \$100,000;
- Raises the statewide credit allowance cap to \$2.75 million;
- Provides a maximum 15 day extension to apply for the credit, if the business can demonstrate that circumstances beyond their control resulted in their late filing of the application;
- Provides that no credit may be applied to returns filed after June 30, 2024.

What the program provides

- 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) tax 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 \$100,000 of credit per fiscal year for credits issued in 2016 through 2024. The credit cap previously was \$200,000. This cap does not apply to credits carried forward from prior years.

When must I apply for the CTR credit?

You must apply electronically between January 1 and January 31 each year to receive credit for CTR incentive payments made in the prior calendar year. [Apply online](#) through My Account (e-file).

As part of the program changes, the Department may accept applications received up to 15 calendar days late, if the business can demonstrate that the application was filed late due to circumstances beyond their control as provided under [WAC 458-20-228](#).

The Department has 60 days from the end of January to authorize credits to the applicants. The statewide cap for applications submitted each January, from 2016 through 2024, is \$2.75 million. All credits will be prorated so they don't exceed the statewide cap.

How do I claim the CTR credit?

Once you have been issued a credit notice by the Department, you may claim the CTR credit in My Account (e-file) when filing your excise tax returns.

Credits approved after June 30, 2015, must be applied to tax reporting periods within the calendar year in which they were approved and may not be carried forward. For example, credit issued in 2016 must be applied to 2016 excise tax returns.

The amount of credit claimed during a reporting period may not exceed the amount of B&O tax and PUT owed. The same credit may not be claimed for both B&O tax and PUT.

Do I need to file an Annual Tax Incentive Survey or Report?

No, businesses claiming the CTR credit are not required to file an Annual Tax Incentive Survey or Annual Tax Incentive Report.

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 the Telephone Information Center at 1-800-647-7706.