

SENATE BILL 105

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2000 Regular Session
0lr0601

By: **Senator Ruben**

Introduced and read first time: January 17, 2000

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Tax Credit for Cost of Providing Commuter Benefits to Employees**

3 FOR the purpose of allowing a certain credit against the State income tax for certain
4 costs incurred by employers that provide certain commuter benefits to
5 employees; clarifying certain language; providing for the application of this Act;
6 and generally relating to a tax credit against certain taxes for
7 employer-provided commuter benefits to employees.

8 BY repealing and reenacting, with amendments,
9 Article - Environment
10 Section 2-901
11 Annotated Code of Maryland
12 (1996 Replacement Volume and 1999 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - Environment**

16 2-901.

17 (a) In this section the following words have the meanings indicated.

18 (1) "Business entity" means:

19 (i) A person conducting or operating a trade or business in
20 Maryland; or

21 (ii) An organization operating in Maryland that is exempt from
22 taxation under § 501(c)(3) or (4) of the Internal Revenue Code.

23 (2) "Instrument" means a pass, token, fare card, voucher, or similar item.

24 (b) A business entity may claim a tax credit in an amount equal to 50% of the
25 cost of providing the following commuter benefits to the business entity's employees:

1 (1) If provided for the purpose of travel between the employee's residence
2 and place of employment, any portion of the cost of transportation TO OR FROM A
3 LOCATION IN THE STATE in a vehicle or an instrument that is used to offset any
4 portion of the cost of transportation TO OR FROM A LOCATION IN THE STATE in a
5 vehicle:

6 (i) With a seating capacity of at least eight adult individuals; and

7 (ii) At least 80% of the annual mileage of which is incurred:

8 1. For the purpose of transporting individuals between their
9 residences and their places of employment; and

10 2. On trips where the number of employees transported
11 together is at least one-half of that vehicle's adult seating capacity; or

12 (2) An instrument that:

13 (i) Entitles an individual, at no additional cost or at a reduced fare,
14 to transportation TO OR FROM A LOCATION IN THE STATE on a publicly or privately
15 owned mass transit system [other than a taxi service; or];

16 (ii) Is redeemable at a transit pass sales outlet for the purpose
17 stated in item (2)(i) of this subsection;

18 (III) ENTITLES AN INDIVIDUAL, AT NO ADDITIONAL COST OR AT A
19 REDUCED FARE, TO TRANSPORTATION TO OR FROM A LOCATION IN THE STATE IN A
20 VEHICLE OPERATED BY A TAXI SERVICE THAT IS A LICENSED TAXI SERVICE IN THE
21 JURISDICTION IN WHICH IT IS OPERATING; OR

22 (IV) OFFSETS ANY PORTION OF THE COST OF TRANSPORTATION TO
23 OR FROM A LOCATION IN THE STATE IN A VEHICLE IF THE TRANSPORTATION IS
24 PROVIDED TO AN EMPLOYEE AS PART OF A GUARANTEED RIDE HOME PROGRAM.

25 (c) The credit allowed under this section may not exceed \$30 per individual
26 employee per month.

27 (d) (1) The credit allowed under this section may not exceed the total tax
28 otherwise payable by the business entity for that taxable year, determined before the
29 application of the credit under this section but after the application of any other
30 credit.

31 (2) The unused amount of the credit under this section for any taxable
32 year may not be carried over to any other taxable year.

33 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
34 July 1, 2000 and shall be applicable to all taxable years beginning after December 31,
35 1999.