

SENATE BILL 892

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2001 Regular Session
11r3024
CF 11r3025

By: **Senators McFadden and Ruben**
Introduced and read first time: March 5, 2001
Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Downtown Commuter Benefits Act of 2001**

3 FOR the purpose of allowing a business entity certain tax credits for certain costs of
4 providing certain commuter benefits to the business entity's employees;
5 providing for the application of this Act; and generally relating to certain tax
6 credits for certain costs of providing certain commuter benefits to the business
7 entity's 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 2000 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) "Cash in lieu of parking program" means an employer-funded
24 program under which an employer offers to provide a cash allowance to an employee
25 in an amount equal to the parking subsidy that the employer would otherwise pay or
26 incur to provide the employee a parking space.

1 (3) "DOWNTOWN EMPLOYEE COMMUTER SHUTTLE" MEANS AN
2 EMPLOYER-FUNDED PROGRAM UNDER WHICH A BUSINESS ENTITY THAT IS A
3 MEMBER OF A BUSINESS ASSOCIATION PROVIDES FUNDS FOR THE DEVELOPMENT
4 AND OPERATION OF MASS TRANSIT SERVICE, OTHER THAN A TAXI SERVICE, THAT
5 PROVIDES TRANSPORTATION TO THE BUSINESS ENTITY'S EMPLOYEES AT NO
6 ADDITIONAL COST OR AT A REDUCED FARE.

7 [(3)] (4) "Guaranteed ride home" means immediate transportation
8 provided by a business entity for an employee who:

9 (i) Receives any of the commuter benefits described in subsection
10 (b)(1) or (2) of this section or commutes by way of a nonmotorized method of
11 transportation; and

12 (ii) Is required to leave work early for illness or other verifiable
13 reason.

14 [(4)] (5) "Instrument" means a pass, token, fare card, voucher, or similar
15 item.

16 [(5)] (6) "Parking subsidy" means:

17 (i) The difference between the out-of-pocket amount paid by an
18 employer on a regular basis to secure the availability of an employee parking space
19 not owned by the employer and the price charged to the employee for use of that
20 space; or

21 (ii) For parking owned or leased by the employer as an integral part
22 of a larger facility, the fair market value of a parking space provided by the employer
23 for parking commuter vehicles, as determined:

24 1. By considering typical costs paid or incurred by users of
25 nearby equivalent paid parking spaces, by evaluating the annual amortized cost of
26 constructing and operating the parking space divided by the number of work days per
27 year the space is ordinarily used; or

28 2. By other reasonable and justifiable means.

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

31 (1) If provided for the purpose of travel between the employee's residence
32 and place of employment, any portion of the cost of transportation to or from a
33 location in the State in a vehicle or an instrument that is used to offset any portion of
34 the cost of transportation to or from a location in the State in a vehicle:

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

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

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

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

5 (2) An instrument that:

6 (i) Entitles an individual, at no additional cost or at a reduced fare,
7 to transportation to or from a location in the State on a publicly or privately owned
8 mass transit system other than a taxi service; or

9 (ii) Is redeemable at a transit pass sales outlet for the purpose
10 stated in item (2)(i) of this subsection; [or]

11 (3) For an employee who resides or works in the State:

12 (i) A cash in lieu of parking program; or

13 (ii) A guaranteed ride home; OR

14 (4) A DOWNTOWN EMPLOYEE COMMUTER SHUTTLE.

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

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

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

23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
24 July 1, 2001 and shall be applicable to all taxable years beginning after December 31,
25 2001.