Unofficial Copy M3 2002 Regular Session (2lr0278)

ENROLLED BILL

-- Ways and Means/Budget and Taxation --

Introduced by Delegates Carlson, Barkley, Bozman, Bronrott, Cryor, Finifter, Hixson, Hurson, Morhaim, Patterson, Phillips, Rosso, and Zirkin

Read and Examined by Proofreaders: Proofreader. Proofreader. Sealed with the Great Seal and presented to the Governor, for his approval this _____ day of _____ at _____ o'clock, ____M. Speaker. CHAPTER 1 AN ACT concerning 2 **Commuter Benefits Act 2002** FOR the purpose of altering the maximum tax credit per employee that a business entity may claim for certain costs of providing certain commuter benefits to the 4 5 business entity's employees; requiring the Secretary of the Environment in consultation with the Secretary of Transportation to include a certain tax credit 6 7 in a certain State plan; requiring the Department of the Environment and the 8 Department of Transportation to implement a certain marketing plan and to 9 submit a certain report by a certain date; providing for the application of this 10 Act; and generally relating to certain tax credits for employer-provided commuter benefits. 11

- 12 BY repealing and reenacting, with amendments,
- 13 Article Environment
- 14 Section 2-901
- 15 Annotated Code of Maryland

1	(1996 Replacement Volume and 2001 Supplement)						
2 3	2 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 3 MARYLAND, That the Laws of Maryland read as follows:						
4				Article - Environment			
5	2-901.						
6	(a)	In this s	section the	e following words have the meanings indicated.			
7		(1)	"Busine	ss entity" means:			
8 9	Maryland; or	r	(i)	A person conducting or operating a trade or business in			
10 11	taxation und	ler § 501	(ii) (c)(3) or	An organization operating in Maryland that is exempt from (4) of the Internal Revenue Code.			
14	12 (2) "Cash in lieu of parking program" means an employer-funded 13 program under which an employer offers to provide a cash allowance to an employee 14 in an amount equal to the parking subsidy that the employer would otherwise pay or 15 incur to provide the employee a parking space.						
16 17	by a busines	(3) ss entity f		nteed ride home" means immediate transportation provided ployee who:			
	Receives any of the commuter benefits described in subsection (b)(1) or (2) of this section or commutes by way of a nonmotorized method of transportation; and						
21 22	reason.		(ii)	Is required to leave work early for illness or other verifiable			
23		(4)	"Instrun	nent" means a pass, token, fare card, voucher, or similar item.			
24		(5)	"Parkin	g subsidy" means:			
27				The difference between the out-of-pocket amount paid by an o secure the availability of an employee parking space ad the price charged to the employee for use of that			
				For parking owned or leased by the employer as an integral part rket value of a parking space provided by the employer s, as determined:			
32 33	nearby equi	valent pa	id parkin	1. By considering typical costs paid or incurred by users of g spaces, by evaluating the annual amortized cost of			

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	constructing and operating the parking space divided by the number of work days per year the space is ordinarily used; or							
3		2.	By other reasonable and justifiable means.					
4 5	(b) A business entity may claim a tax credit in an amount equal to 50% of the cost of providing the following commuter benefits to the business entity's employees:							
8	(1) If provided for the purpose of travel between the employee's residence and place of employment, any portion of the cost of transportation to or from a location in the State in a vehicle or an instrument that is used to offset any portion of the cost of transportation to or from a location in the State in a vehicle:							
10	(i)	With a	seating capacity of at least eight adult individuals; and					
11	(ii)	At leas	t 80% of the annual mileage of which is incurred:					
12 13	residences and their places	1. of employ	For the purpose of transporting individuals between their ment; and					
14 15	together is at least one-half	2. of that veh	On trips where the number of employees transported icle's adult seating capacity;					
16	(2) An ir	istrument t	hat:					
	× /	a location	s an individual, at no additional cost or at a reduced fare, in the State on a publicly or privately owned ervice; or					
20 21	(ii) stated in item (i) of this item		emable at a transit pass sales outlet for the purpose					
22	(3) For a	n employe	e who resides or works in the State:					
23	(i)	A cash	in lieu of parking program; or					
24	(ii)	A guar	anteed ride home.					
25 26	5 (c) The credit allowed under this section may not exceed [\$30] \$50 per 6 individual employee per month.							
29	7 (d) (1) The credit allowed under this section may not exceed the total tax 8 otherwise payable by the business entity for that taxable year, determined before the 9 application of the credit under this section but after the application of any other 0 credit.							
31 32	(2) The unused amount of the credit under this section for any taxable year may not be carried over to any other taxable year.							

33 <u>SECTION 2. AND BE IT FURTHER ENACTED, That:</u>

- 1 (a) The Secretary of the Environment in consultation with the Secretary of
- 2 <u>Transportation shall include the tax credit under § 2-901 of the Environment Article</u>
- 3 in the State's plan for meeting the requirements of the federal Clean Air Act
- 4 Amendments of 1990.
- 5 (b) The Department of the Environment and the Department of Transportation
- 6 shall implement an extensive outreach program to market the benefits of the tax credit
- 7 under § 2-901 of the Environment Article and shall report to the General Assembly on
- 8 or before January 1, 2003, in accordance with § 2-1246 of the State Government
- 9 Article, on the implementation and effectiveness of the outreach program.
- 10 SECTION 2. 3. AND BE IT FURTHER ENACTED, That this Act shall take
- 11 effect July 1, 2002, and shall be applicable to all taxable years beginning after
- 12 December 31, 2001.