
By: **Delegates Carlson, Barkley, Bozman, Bronrott, Cryor, Finifter, Hixson,
Hurson, Morhaim, Patterson, Phillips, Rosso, and Zirkin**

Introduced and read first time: January 25, 2002

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Commuter Benefits Act 2002**

3 FOR the purpose of altering the maximum tax credit per employee that a business
4 entity may claim for certain costs of providing certain commuter benefits to the
5 business entity's employees; providing for the application of this Act; and
6 generally relating to certain tax credits for employer-provided commuter
7 benefits.

8 BY repealing and reenacting, with amendments,
9 Article - Environment
10 Section 2-901
11 Annotated Code of Maryland
12 (1996 Replacement Volume and 2001 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) "Guaranteed ride home" means immediate transportation provided
2 by a business entity for an employee who:

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

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

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

9 (5) "Parking subsidy" means:

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

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

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

21 2. By other reasonable and justifiable means.

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

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

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

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

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

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

34 (2) An instrument that:

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

4 (ii) Is redeemable at a transit pass sales outlet for the purpose
5 stated in item (i) of this item; or

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

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

8 (ii) A guaranteed ride home.

9 (c) The credit allowed under this section may not exceed [\$30] \$50 per
10 individual employee per month.

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

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

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 July 1, 2002, and shall be applicable to all taxable years beginning after December 31,
19 2001.