

# SENATE BILL 210

Q3, R2, M3

2lr0035

(PRE-FILED)

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By: **Chair, Budget and Taxation Committee (By Request – Departmental – Transportation)**

Requested: September 30, 2021

Introduced and read first time: January 12, 2022

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Tax Credits – Employer–Provided Commuter Benefits – Expansion**

3 FOR the purpose of expanding the types of commuter benefits for which a business entity  
4 may claim a tax credit to include a certain carpool program, telework program, active  
5 transportation program, and multimodal commuter program; and generally relating  
6 to tax credits for employer–provided commuter benefits.

7 BY repealing and reenacting, with amendments,

8 Article – Environment

9 Section 2–901

10 Annotated Code of Maryland

11 (2013 Replacement Volume and 2021 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

13 That the Laws of Maryland read as follows:

14 **Article – Environment**

15 2–901.

16 (a) (1) In this section the following words have the meanings indicated.

17 (2) (I) “ACTIVE TRANSPORTATION” MEANS ANY  
18 SELF–PROPELLED, HUMAN–POWERED MODE OF TRANSPORTATION SUCH AS  
19 WALKING OR BICYCLING.

20 (II) “ACTIVE TRANSPORTATION” INCLUDES BICYCLING ON A  
21 BICYCLE WITH AN ELECTRIC COMPONENT.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1           **(3) “ACTIVE TRANSPORTATION SUBSIDY” MEANS THE AMOUNT PAID**  
2 **BY AN EMPLOYER TO AN EMPLOYEE ON A REGULAR BASIS TO COVER THE COSTS**  
3 **ASSOCIATED WITH ACTIVE TRANSPORTATION, INCLUDING THE COSTS ASSOCIATED**  
4 **WITH:**

5                   **(I) BICYCLE MAINTENANCE;**

6                   **(II) BICYCLE MEMBERSHIPS; AND**

7                   **(III) BICYCLING AND WALKING GEAR.**

8           **[(2)] (4) “Business entity” means:**

9                   (i) A person conducting or operating a trade or business in  
10 Maryland; or

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

13           **(5) “CARPOOL” MEANS USING A PRIVATELY OWNED OR**  
14 **EMPLOYER-OWNED VEHICLE TO SHARE A COMMUTE WITH TWO OR MORE**  
15 **INDIVIDUALS.**

16           **(6) (I) “CARPOOL SUBSIDY” MEANS THE AMOUNT PAID BY AN**  
17 **EMPLOYER TO AN EMPLOYEE ON A REGULAR BASIS TO COVER THE COSTS OF**  
18 **NORMALLY OPERATING A VEHICLE USED FOR CARPOOLING, INCLUDING EMPLOYER**  
19 **PAYMENT OR REIMBURSEMENT OF:**

20                   1. **E-ZPASS AND TOLL FEES;**

21                   2. **PARKING FEES; AND**

22                   3. **OTHER COSTS ASSOCIATED WITH CARPOOLING, AS**  
23 **APPROPRIATE.**

24           **(II) “CARPOOL SUBSIDY” DOES NOT INCLUDE PAYMENT OR**  
25 **REIMBURSEMENT OF THE COST OF MAINTAINING OR PURCHASING A VEHICLE USED**  
26 **FOR CARPOOLING.**

27           **[(3)] (7) “Cash in lieu of parking program” means an employer-funded**  
28 **program under which an employer offers to provide a cash allowance to an employee in an**  
29 **amount equal to the parking subsidy that the employer would otherwise pay or incur to**  
30 **provide the employee a parking space.**

1           **[(4)] (8)**     “Guaranteed ride home” means immediate transportation  
2 provided 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 transportation;  
5 and

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

8           **[(5)] (9)**     “Instrument” means a pass, token, fare card, voucher, or similar  
9 item.

10           **[(6)] (10)**    “Parking subsidy” means:

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

21                           2.     By other reasonable and justifiable means.

22           **(11) “TELEWORK” MEANS A FLEXIBLE WORK ARRANGEMENT UNDER**  
23 **WHICH AN EMPLOYEE PERFORMS THE DUTIES AND RESPONSIBILITIES OF THE**  
24 **EMPLOYEE’S POSITION, INCLUDING OTHER EMPLOYER–AUTHORIZED ACTIVITIES,**  
25 **FROM AN APPROVED WORKSITE DIFFERENT FROM THE LOCATION AT WHICH THE**  
26 **EMPLOYEE WOULD OTHERWISE WORK.**

27           **(12) “TELEWORK SUBSIDY” MEANS THE AMOUNT PAID BY AN**  
28 **EMPLOYER TO AN EMPLOYEE ON A REGULAR BASIS TO COVER THE COSTS**  
29 **ASSOCIATED WITH TELEWORKING, INCLUDING EMPLOYER PAYMENT OR**  
30 **REIMBURSEMENT OF:**

31                   **(I)     PRORATED INTERNET SERVICE COSTS;**

32                   **(II)    PRORATED COMPUTER EQUIPMENT COSTS;**

1 (III) PRORATED TELEPHONE EQUIPMENT COSTS;

2 (IV) PRORATED SOFTWARE AND SUPPLY COSTS FOR SOFTWARE  
3 AND SUPPLIES NOT PROVIDED BY THE EMPLOYER BUT NECESSARY FOR THE  
4 EMPLOYEE TO PERFORM THE EMPLOYEE'S JOB RESPONSIBILITIES; AND

5 (V) MEMBERSHIP COSTS FOR CO-WORKING SPACE AND  
6 TELEWORK CENTERS.

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

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

13 (i) With a seating capacity of at least six adult individuals; and

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

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

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

19 (2) An instrument that:

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

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

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

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

27 (ii) A guaranteed ride home;

28 (4) AN EMPLOYER-FUNDED CARPOOL PROGRAM UNDER WHICH AN  
29 EMPLOYER PROVIDES A CARPOOL SUBSIDY TO AN EMPLOYEE WHO MEETS THE

1 FOLLOWING REQUIREMENTS:

2 (I) THE PURPOSE OF TRAVEL IS TO TRAVEL TO AND FROM  
3 WORK, TRAVELING BETWEEN EITHER AN EMPLOYEE'S RESIDENCE AND PLACE OF  
4 EMPLOYMENT OR A DESIGNATED MEETING PLACE, SUCH AS A PARK AND RIDE LOT,  
5 AND THE EMPLOYEE'S PLACE OF EMPLOYMENT;

6 (II) AT LEAST TWO PEOPLE ARE TRAVELING TOGETHER FOR  
7 MORE THAN 80% OF THE TRIP;

8 (III) EACH INDIVIDUAL PARTICIPATING IN THE CARPOOL  
9 PROGRAM IS REGISTERED WITH THE COMMUTER CONNECTIONS PROGRAM; AND

10 (IV) THE CARPOOLING TAKES PLACE ON A WEEKDAY BETWEEN  
11 THE HOURS OF 5:00 A.M. AND 7:00 P.M.;

12 (5) AN EMPLOYER-FUNDED TELEWORK PROGRAM UNDER WHICH AN  
13 EMPLOYER PROVIDES A TELEWORK SUBSIDY TO AN EMPLOYEE WHOSE  
14 TELEWORKING TAKES PLACE ON A WEEKDAY BETWEEN THE HOURS OF 5:00 A.M. AND  
15 7:00 P.M.;

16 (6) AN EMPLOYER-FUNDED ACTIVE TRANSPORTATION PROGRAM  
17 UNDER WHICH AN EMPLOYER PROVIDES AN ACTIVE TRANSPORTATION SUBSIDY TO  
18 AN EMPLOYEE WHO USES ACTIVE TRANSPORTATION TO OR FROM WORK ON A  
19 WEEKDAY BETWEEN THE HOURS OF 5:00 A.M. AND 7:00 P.M.; OR

20 (7) AN EMPLOYER-FUNDED MULTIMODAL COMMUTER PROGRAM  
21 UNDER WHICH AN EMPLOYER PROVIDES A COMBINATION OF SUBSIDIES, PAYMENTS,  
22 OR REIMBURSEMENTS UNDER ITEMS (1) THROUGH (6) OF THIS SUBSECTION TO AN  
23 EMPLOYEE WHO:

24 (I) USES MULTIPLE MODES OF TRANSPORTATION TO OR FROM  
25 WORK ON A WEEKDAY BETWEEN THE HOURS OF 5:00 A.M. AND 7:00 P.M.; AND

26 (II) IF NECESSARY, USES A RIDE HAIL SERVICE FOR UP TO 5  
27 MILES OF A MULTIMODAL COMMUTER TRIP TO CONNECT A COMMUTER TO TRANSIT,  
28 CARPOOL, OR VANPOOL FOR TRAVEL TO OR FROM WORK IN THE STATE.

29 (c) The credit allowed under this section may not exceed \$100 per individual  
30 employee per month.

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

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

3                   SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
4 1, 2022.