

Commute Trip Reduction (CTR) Tax Credit: 2024 Tax Year Overview

What is it?

Employers who provide CTR incentives and/or benefits to their employees can receive a tax credit against their Business and Occupation (B&O) Tax or Public Utility Tax (PUT) liability. An employer does not need to be CTR affected to be eligible for this benefit.

An employer is eligible if they:

- Pay B&O or PUT in Washington State
- Incur expenses through promoting or providing rideshare, carshare, public transit, or non-motorized commuting services
 - o i.e. providing ORCA cards for your employees, subsidizing vanpool costs, paying for employee bike repairs, etc.
- Apply for the credit by January 31, 2025

Credit Amounts

- Claim up to **50% of qualifying expenses** (maximum \$60 per employee).
- No employer may receive more than \$100,000 of credit per fiscal year.

Application Details

- Applications are open from **January 1–31, 2025**.
- Submit through the WA Department of Revenue's portal: [CTR Tax Credit Portal](#).

Steps to Apply

1. **Collect Data** - *You will likely need to locate receipts and invoices to determine the following:*
 - a. **Number of employees receiving the CTR incentive.**
 - b. **Amount spent per employee on eligible incentives.**
 - Contact your transit pass provider for information about invoicing or your annual transit pass costs if you have trouble finding this information.
 - You may need to calculate per employee costs yourself by dividing the total cost by the total number of employees receiving the benefit.
 - o If utilizing ORCA passport or ORCA business programs, you can calculate this cost by combining all annual fees/costs **excluding the card fee** and dividing by the total number of employees receiving the benefit.
 - If you find you are spending more than \$120/employee/year on CTR incentives, you can stop calculating costs and enter \$120, the maximum amount you can claim per employee.
2. **Submit Information:**
 - a. Log in to the Department of Revenue portal.

- b. To find the CTR tax credit application, click: **More Excise Tax Options > Manage/Apply for a Tax Credit > Add CTR Application**
- c. Fill out the necessary fields with the data requested and submit your application.

Additional Resources

- Log into the DOR website at <https://secure.dor.wa.gov/home/Login>
- For more information about the program, see [Chapter 82.70 RCW](#).
- For help completing the application, call the WA Department of Revenue at 360-705-6214.
 - o For help claiming the CTR credit, call 360-705-6705.

This guide is intended to help worksites collect relevant information for the Washington State Department of Revenue's Commute Trip Reduction tax credit and is not official tax guidance.

Consult your organization tax or financial advisor before submitting your application.