

# CTR & TMP Tax Credits

**Wednesday January 10, 2024  
& Thursday January 11, 2024  
1:00PM – 2:00PM**



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# Agenda

- General introduction/overview of transit tax benefits
- CTR tax credit “how to”
- Q&A period
- Upcoming CTR ETC Events



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## Commuter Tax Benefit: Pre-Tax

Years ago, a simple yet ingenious idea took root:

By allowing workers to defray public transportation costs through their employers' benefits packages, we could reduce traffic congestion and improve air quality. In 1998, Congress amended the tax code to allow employees to take advantage of commuter benefits using their own pre-tax dollars.



# IRS Tax Benefits

## EMPLOYERS

Employers and employees both save on federal taxes when the employer provides benefits like the ORCA pass programs.

Employees can spend pretax dollars (up to \$280 per month) on a public transportation benefit. The employer can in turn avoid paying FICA tax on those salary dollars.

## EMPLOYEES

The result is a valuable employment benefit that saves and encourages public transportation while saving both employees and employers money.



# Employer Tax Benefit Assistance

## Helpful Webpages

- ❑ [Commuter Benefit Solutions - How it Works for Employers](#)
- ❑ [Commuter Benefits Savings Calculator - Choose Your Profile | WageWorks](#)
- ❑ [King County Metro's Commuter Tax Benefit page](#)

# Washington State & Federal Tax Information

Visit the following link for the most up-to-date transit-related tax and financial information:

[For Businesses - Financial Support | Choose Your Way Bellevue](#)



# Washington State CTR Tax Credit

Washington State provides a tax credit for employers and property managers who provide employees with commute trip reduction incentives. The credits apply toward business and occupation (B&O) tax or public utility tax (PUT) liability.

Ride sharing, public transportation, car sharing, light rail, and non-motorized commuting are all eligible to provide credits equal to 50 percent of the incentive payment, not exceeding \$60 per employee per year. No employer or property manager may receive more than \$100,000 credit per fiscal year.

Submit an Application Online  
To apply for the credit, **employers must apply** to the WA Department of Revenue between January 1 and January 31 of the year following the year in which they provided commute trip reduction payments.



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# Accessing & Troubleshooting WA DOE Website

New user? [Sign up](#)

Check if you have a Secure Access  
Washington (SAW) user ID

**SAW User ID**

[Forgot User ID?](#)

**Password**

[Forgot Password?](#)

☐ **Show Password**

**Log in**

[Need help logging in?](#)

**SITE/WA DOR WEBPAGE:**

[My DOR: Sign In \(wa.gov\)](#)

**NEED HELP ACCESSING SITE:**

[Set up | Washington Department of Revenue](#)



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### Instructions

Enter the number of employees and incentive amounts paid. The credit applied for will be calculated based on these fields and the statutory limits.

**Number of Employees** \*

\_\_\_\_\_

Only count and include employees that received an incentive for using ride sharing, public transportation, car sharing, or nonmotorized commuting.

**Incentives Paid**

0.00

\_\_\_\_\_

Only include actual amounts paid to employees for incentives. In calculating the total amount paid, the amount for each employee cannot exceed \$120 per employee.

For example, a business has 10 employees. They pay public transportation incentives of \$400 per year to 3 of those employees. The remaining 7 employees do not participate in these incentives. The total tax incentive amount paid is \$360. This is calculated by multiplying the \$120 cap per employee by the 3 employees actually participating in the program.

**Credit Applying For**

0.00

\_\_\_\_\_

### Certification

I certify that the information below is accurate. I understand that any person that knowingly makes a false statement on this application is guilty of a gross misdemeanor (RCW 82.70.030).

### Person Completing

Contact Name \*



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## CTR Tax Credit Filing Results & Timeline

- ❑ Filing **MUST** be completed and sent to **WADOR NO** **LATER** than January 31, 2024.
- ❑ Washington State Department of Revenue may contact you to verify financial output for transit benefits.
- ❑ All monies due to company will go toward their Business & Operations (B&O) as a tax credit in approximately April after your filing.

# Q & A Period



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## Upcoming CTR ETC Events!

- ❑ **February 7<sup>th</sup> – ETC Networking Meeting – featuring Sound Transit & East Link Light Rail**
- ❑ **Various Dates in March: New CTR Survey Tool Classes (information on exact class dates will go out in February)**
- ❑ **April: Bellevue CTR Employee Surveying with New Tool**

