

SENATE NO. 2052

AN ACT ESTABLISH A TAX CREDIT FOR EMPLOYER-SPONSORED RIDESHARING BENEFITS

*Be it enacted by the Senate and House of Representatives in General Court assembled,
And by the authority of the same, as follows:*

1 SECTION 1. Chapter 63 of the General Laws as appearing in the 2004 Official Edition is amended
2 by adding after section 31K the following new section:-

3 Section 31L. (a) As used in this section the following words shall, unless the context requires
4 otherwise, have the following meanings:

5 “cash in lieu of parking program” - an employer-funded program under which an employer offers to
6 provide a cash allowance to an employee in an amount equal to the parking subsidy that the
7 employer would otherwise pay or incur to provide the employee a parking space.

8 “guaranteed ride home” - immediate transportation provided by an employer for an employee who:

9 (1) receives any of the commuter benefits described herein or commutes by way of a nonmotorized
10 method of transportation; and

11 (2) is required to leave work early for illness or other verifiable reason.

12 “instrument” - a pass, token, fare card, voucher, or similar item.

13 “parking subsidy”-:

14 A) the difference between the out-of-pocket amount paid by an employer on a regular basis to
15 secure the availability of an employee parking space not owned by the employer and the
16 price charged to the employee for use of that space; or

17 B) for parking owned or leased by the employer as an integral part of a larger facility, the fair
18 market value of a parking space provided by the employer for parking commuter vehicles,
19 as determined:

20 (i) by considering typical costs paid or incurred by users of nearby equivalent paid
21 parking spaces, by evaluating the annual amortized cost of constructing and
22 operating the parking space divided by the number of work days per year the space is
23 ordinarily used; or

24 (ii) by other reasonable and justifiable means.

25 (b) An employer shall be allowed a credit against its excise due under this chapter equal to thirty
26 per cent of the cost incurred during the taxable year for the cost of providing an employer-
27 sponsored ride sharing incentive program or an instrument to its employees including cash in lieu of
28 parking program, guaranteed ride home, ridesharing, third-party vanpool, or vanpool, as defined in
29 section thirty-one D of chapter sixty-three.

30 (c) The credit allowed hereunder shall apply for the purpose of travel between the employee's
31 residence and place of employment to or from a location in the commonwealth in a vehicle or an
32 instrument that is used to offset any portion of the cost of transportation to or from a location in the
33 commonwealth.

34 (d) The credit allowed by this section shall apply to an instrument that entitles an individual, at no
35 additional cost or at a reduced fare, to transportation to or from a location in the commonwealth on

36 a publicly or privately owned mass transit system other than a taxis service or is redeemable at a
37 transit pass outlet for the purpose stated herein.

38 (e) The credit allowed under this section may not exceed \$25 per individual employee per month.

39 (f) The credit allowed hereunder for any taxable year shall not reduce the excise to less than the
40 amount due under section thirty-two (b), thirty-nine (b) or sixty-seven. The limitation provided
41 under section thirty-two C shall apply to any credit allowed hereunder.

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