

SENATE No. 1244

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

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
2 amended 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
4 requires otherwise, have the following meanings:

5 “cash in lieu of parking program” - an employer-funded program under which an
6 employer offers to provide a cash allowance to an employee in an amount equal to the parking
7 subsidy that the 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
9 employee who:

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

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

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

14 “parking subsidy”-:

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

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

21 (i) by considering typical costs paid or incurred by users of nearby equivalent paid
22 parking spaces, by evaluating the annual amortized cost of constructing and operating the
23 parking space divided by the number of work days per year the space is 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
26 to thirty per cent of the cost incurred during the taxable year for the cost of providing an
27 employer-sponsored ride sharing incentive program or an instrument to its employees including
28 cash in lieu of parking program, guaranteed ride home, ridesharing, third-party vanpool, or
29 vanpool, as defined in section thirty-one D of chapter sixty-three.

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

34 (d) The credit allowed by this section shall apply to an instrument that entitles an
35 individual, at no additional cost or at a reduced fare, to transportation to or from a location in the
36 commonwealth on a publicly or privately owned mass transit system other than a taxis service or
37 is redeemable at a transit pass outlet for the purpose stated herein.

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

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