



# THE PRINCE GEORGE'S COUNTY GOVERNMENT

OFFICE OF THE COUNTY EXECUTIVE

**BILL:** **Senate Bill 210 - Tax Credits - Employer-Provided Commuter Benefits - Expansion**

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

**HEARING DATE:** **January 18, 2022**

**COMMITTEE:** **Budget and Taxation**

**CONTACT:** **Intergovernmental Affairs Office, 301-780-8411**

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**POSITION:** **SUPPORT WITH AMENDMENTS**

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The Office of the Prince George's County Executive **SUPPORTS WITH AMENDMENTS Senate Bill 210 - Tax Credits - Employer-Provided Commuter Benefits - Expansion** which permits a business entity to claim a tax credit for providing commuter benefits including carpooling, telework, active transportation (walking and bicycling), and multimodal options. The expansion includes these commute modes and are in addition to the commute options currently covered by the tax credit: transit, vanpool, Guaranteed Ride Home, and Cash in Lieu of Parking.

The Prince George's County Department of Public Works and Transportation recommends support of **Senate Bill 210** to expand tax credits for employer-provided commuter benefits as it creates additional incentives for more than 16,000 County employers to develop programs that encourage their employees to use alternatives to single-occupancy vehicle (SOV) commuting. As **Senate Bill 210** will expand the tax credit to all eligible businesses across Maryland, it also has the potential to benefit Prince George's County residents who commute to worksites in other areas of the state. According to 2019 United States Census data, the expanded tax credit could impact approximately 300,000 people who work in Prince George's County and 100,000 or more County residents who commute to other areas of Maryland for work.

Expanding the tax credit to include carpooling, telework, bicycling, walking and multimodal commute options is an important step in recognizing that individuals have access to and use, a variety of options to travel to their jobs. It also supports the changes in commute options that have resulted from the COVID-19 Pandemic and will be an important tool to help reduce SOV commuting as more employees return to physical workplaces. The tax credit will increase the value of employer-provided commuter benefits program, improving recruitment and retention of valuable employees for Prince George's County businesses. Finally, transportation is the largest contributing sector to Greenhouse Gas Emissions in Prince George's County at 48% of total emissions; expanding the tax credit to encourage alternatives to driving alone supports the

County’s Climate Action Plan, specifically Action Area 2: Greenhouse Gas Emissions Reduction (Transportation).

The Department of Public Works and Transportation proposes the following amendments:

Active Transportation:

- Page 1, line 19: add “running” (“walking, running, or bicycling”).
- Page 2, section (3) line 3 suggested edit: “associated with active transportation for the purpose of commuting, including employer payment or reimbursement of the costs associated...” This may help to reinforce that the benefit is for commuting, not just any active transportation purpose, and makes the wording about employer payment or reimbursement consistent with other sections in the text.
- Page 2, line 7: add “running” (“bicycling, running, and walking gear.”).

Carpool:

- Page 2, section (6) (I): consider explicitly stating whether or not the cost of fuel (or charging if using an electric vehicle) is covered under the reimbursement.
- Page 2, section (6) (II): add “leasing” to line 25 – “reimbursement of the cost of maintaining, leasing, or purchasing a vehicle...”

Vanpool/Transit:

- Page 4, section (b) (1-3) (lines 1-27): add the timeframe of “weekday between the hours of 5:00am and 7:00pm” to be consistent with other paragraphs.
- Include and define micromobility and alternative transit services in this section to include options that serve commuters across different spatial geographies and mobility needs.

General Comments:

- Commuter Connections registration is only required for the carpool option (page 5, lines 8-9); consider adding it as a blanket requirement for all modes to assist with commute trip data collection by Metropolitan Washington Council of Governments and to potentially increase accountability of participating employees.
- Consider including parking at transit stations or park-and-ride lots as it is already a permitted employer-provided subsidy option under IRS section 132(f) for commuter benefits and could be part of an employee’s multimodal commute.

For the reasons stated above, the Office of the Prince George’s County Executive **SUPPORTS Senate Bill 210 WITH AMENDMENTS** and asks for a **FAVORABLE WITH AMENDEMNENTS** report.