

HB22-1026 (Alternative Transportation Options Tax Credit) frequently asked questions

Q: How much money can my business save under this program

A: Organizations can claim a credit on 50% of their spending on alternative transportation options for employees up to a **limit of \$250,000/year**. So, the **maximum tax credit that a business could receive is \$125,000/year** (50% of 250,000).

Q: My company employs five people; you're saying I could spend \$50,000 on commuting options for each of my employees and get \$125,000 back?

A: No, the maximum spend for this program is **\$2,000/year per employee**. And since the tax credit is **50% of the spend, the credit per employee would be \$1,000 per year**.

Q: I own a consulting business that's just myself and an assistant, and I rent office space. Can I get tax credits for spending the \$2,000 on commuting options for myself and my assistant?

A: No, the tax credit is only available to companies that employ **three or more people**.

Q: What type of alternative transportation options qualify for this incentive?

A: Numerous commuting options can be counted under this law, including:

- Ridesharing arrangements (carpools).
- Vanpool arrangements.
- Bikesharing programs (both standard and electric bikes).
- E-scooters.
- Free or subsidized transit passes, tickets, or fares.
- Guaranteed ride home programs

Q: This tax incentive only covers 50% of my spending on alternative transportation options. Why should I bother investing in these when it still costs me more than if I just spend \$0?

A: There are numerous benefits to providing alternative commuting options that will help our business in the long run including:

1. Providing alternative commuting solutions helps you attract and retain the best talent possible.

- a. Commuting difficulties are one of the top reasons people leave their jobs.

b. Employees who commute via alternative transportation options get more exercise and spend less time in traffic, leading to a happier, healthier, more productive workforce.

2. Reducing single occupancy vehicle trips helps improve air quality in the region

a. The Denver metro area is the seventh worst in the country for ground level ozone pollution which leads to numerous health risks for Denver residents.

3. Improving your company's carbon footprint establishes your business as a leader in the community.

a. Companies who take advantage of the tax credit will be **Colorado Clean Commute** Approved, marking you as a company that cares about their impact on the region.

[Q: I am the executive director of a non-profit organization, are we eligible for this tax credit?](#)

A: Yes! Non-profits and local governments can also take advantage of this program.

[Q: What will I need to report in order to get the credit?](#)

A: To be eligible, you'll simply need to show how you've offered alternative commute options in the workplace. This includes expenses related to notifying and promoting commute options as well as expenses related to providing these services.

[Q: Is there any other information I'll need to provide?](#)

A: You will also need to show how many employees you've offered these options to, how many have taken advantage of these opportunities, and if possible, how many trips your employees have taken using an alternative transportation option.

[Q: How long do I have to take advantage of this program?](#)

A: **The tax credit is effective from Jan. 1, 2023 through Jan. 1, 2025.** So, we'd encourage you to schedule a consultation with Way to Go to learn more about your options, and to develop a plan of action — all free of charge!



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