

Commuter Choice Tax Benefits Summary Table

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2016

“Commuter Benefits” are like money in the bank. Employers save on payroll related taxes. Employees save on federal income taxes. In 1998, the Transportation Equity Act for the 21st Century (TEA-21), a federal transportation bill was passed that provides employers and commuters “tools” for saving money while reducing congestion and decreasing air pollution.

Bike	Transit	Vanpool	Parking
<p>\$20 per qualified bicycle commuting month</p>	<p>Up to \$130/month, \$1,560/year for transit expenses</p>	<p>Up to \$130/month, \$1,560/year for vanpool expenses</p>	<p>Up to \$255/month*, \$3,060/year, for parking at or near an employer’s worksite, or at a facility from which employee commutes via transit, vanpool, or carpool</p>
<p>For any employee, a qualified bicycle commuting month is any month the employee: 1. Regularly uses the bicycle for a substantial portion of the travel between the employee’s residence & place of employment and 2. Does not receive: a. Transportation in a commuter highway vehicle, b. Any transit pass, or c. Qualified parking benefits</p>	<p>Employers give their employees up to \$130/month to commute via transit; gets a tax deduction and saves over providing same value in gross income Or Employers allow employees to use pre-tax income to pay for transit and employers save on payroll tax (at least 7.65% savings) Or A combination of both up to statutory limits</p>	<p>Employers give their employees up to \$130/month to commute via vanpool; gets a tax deduction and saves over providing same value in gross income Or Employers allow employees to use pre-tax income to pay for vanpooling and employers save on payroll tax (at least 7.65% savings) Or A combination of both up to statutory limits</p>	<p>Employers give their employees up to \$255/month* for qualified parking; gets a tax deduction and saves over providing same value in gross income Or Employers allow employees to use pre-tax income to pay for qualified parking and employers save on payroll tax (at least 7.65% savings) Or A combination of both up to statutory limits</p>
<p>Qualified bicycle commuting reimbursement. For any calendar year, the exclusion for qualified bicycle commuting reimbursement includes any employer reimbursement during the 15-month period beginning with the first day of the calendar year for reasonable expenses incurred by the employee during the calendar year. Reasonable expenses include: a. The purchase of a bicycle and b. Bicycle improvements, repair, and storage</p>	<p>Employee receives up to \$130/month tax free (not on their W-2 form) Or Employee pays for commute benefit with the pre-tax income and saves on income tax Or A combination of both</p>	<p>Employee receives up to \$130/month tax free (not on their W-2 form) Or Employee pays for commute benefit with the pre-tax income and saves on income tax Or A combination of both</p>	<p>Employee receives up to \$255/month* tax free (not on their W-2 form) for qualified parking Or Employee pays for commute benefit with the pre-tax income and saves on income tax Or A combination of both</p>