

# Commuter Choice Tax Benefits Summary Table

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2012

“Commute 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 21<sup>st</sup> 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 \$125/month, \$1,500/year for transit expenses</p>	<p>Up to \$125/month, \$1,500/year for vanpool expenses</p>	<p>Up to \$240/month*, \$2,880/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:  <b>1.</b> Regularly uses the bicycle for a substantial portion of the travel between the employee’s residence &amp; place of employment and  <b>2.</b> Does not receive:  <b>a.</b> Transportation in a commuter highway vehicle,  <b>b.</b> Any transit pass, or  <b>c.</b> Qualified parking benefits</p>	<p>Employers give their employees up to \$125/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 \$125/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 \$240/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><b>Qualified bicycle commuting reimbursement.</b>  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:  <b>a.</b> The purchase of a bicycle and  <b>b.</b> Bicycle improvements, repair, and storage</p>	<p>Employee receives up to \$125/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 \$125/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 \$240/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>