



FOR IMMEDIATE RELEASE

Contact: Kona Luseni
Makovsky + Company
212-508-9684
kluseni@makovsky.com

Charles Kim
TransitCenter, Inc.
646-746-0276
ckim@transitcenter.com

Commuter Savings At Risk With Deadline For \$230 Cap Renewal Looming

TransitCenter supports legislation that would require New York businesses to establish pretax commuter benefits programs for employees

New York, July 22, 2010 - The countdown has begun for commuters hoping to continue capitalizing on the greater savings afforded them by the 2009 American Recovery Act. On December 31st, 2010, the current IRS approved monthly limit of \$230 for pretax commuter benefits may return to its pre-stimulus level of \$120 a month if it is allowed to expire, dropping the current amount of potential savings for commuters nearly in half. TransitCenter, a nonprofit that promotes mass transit use in order to reduce traffic congestion and improve air quality, and a leading provider of tax-free commuter benefits through its TransitChek® programs, is fighting for an extension of the \$230 cap. "New York is by far the largest mass transit market in the United States and annual savings for NY area commuters would be reduced by approximately \$500 per commuter if the current \$230 benefit level is not maintained by Congress," said Daniel Neuburger, CEO of TransitCenter.

In another development related to pretax commuter benefits, the New York State Assembly, recognizing the value of the benefit, recently passed a bill that would make it a legal requirement for NY employers with 50 or more employees to offer commuter benefits to its employees. TransitCenter applauds the NY Assembly's efforts to establish a bill that would give New Yorkers, through their employers, the ability to deduct their monthly commuting costs from their salaries on a pretax basis. These tax-free dollars can be used toward transit and/or qualified commuter related parking purchases, in adherence with current IRS laws already in place as "Section 132(f) – Qualified Transportation Fringe". Pretax deductions also mean reducing payroll taxes, offering savings for employers who implement a pretax commuter benefit program, as well.

“We are encouraged by the Assembly’s efforts to provide commuters with valuable savings by utilizing pretax money for using mass transit to get to work,” added Neuburger. “It is a step that could enable larger numbers of commuters to save during what remains a difficult economic period. It remains important to extend the \$230 cap to drive usage of mass transit while maximizing savings for commuters and businesses alike.”

Based on the current summary of the New York State bill, “Employers also have the option of paying their employees up to \$100 per month in transportation benefits to cover qualified mass transit or vanpool commuting costs. In either case, an employee is always free to choose whether or not to participate.”

The bill is designed to encourage employees to choose mass transit over driving as a more financially rewarding option for travel between work and home, as well as provide significant tax savings for commuters already using mass transit.

With current maximum monthly IRS limits set at \$230 per month for both pretax transit and commuter parking deductions, such a law could help offset commuting costs that have climbed higher as a result of recent fare increases.

The bill was delivered to the New York State Senate on June 30th to be voted on. If passed, the bill will go into effect 180 days after it becomes law.

In 2008, San Francisco passed a similar law requiring employers with 20 or more employees to provide commuter benefits to those employees that work in San Francisco.

About TransitCenter: TransitCenter is a nonprofit organization whose mission is to advocate for greater use of mass transit in order to reduce traffic congestion and improve air quality. TransitCenter engages in a wide variety of activities in support of transit. We are a pioneer and a leading national provider of tax-free commuter benefits through our TransitChek[®] programs. Through education and awareness activities, we also promote the essential benefits of transit, foremost among them making communities better places – and more sustainable places -- to work and live.