



TransitCenter, Inc.

FOR IMMEDIATE RELEASE

Contact: Rachel Lohman
Makovsky + Company
(212) 508-9656
rlohman@makovsky.com

**TRANSITCENTER, INC. SUPPORTS PROPOSED FEDERAL LEGISLATION
WHICH WOULD INCREASE TAX SAVINGS FOR MASS TRANSIT COMMUTERS**

*Proposed Bills in House and Senate would Create Equal Savings Opportunities for
Transit Riders and Drivers Alike, Encouraging Transit use as a more Sustainable Alternative*

Monthly Transit and Commuter Parking Pre-Tax Contribution Limits Would Meet at \$200

New York, March 29, 2007 – Bills introduced in the U.S. House of Representatives and the U.S. Senate would significantly increase the amount of pre-tax income that employees can use to pay for transit-related commuting expenses, marking another step forward in reducing traffic congestion and protecting the environment, according to TransitCenter, Inc., the nation's leading provider of tax-free commuter benefits, transit information and assistance.

Currently, employers are allowed under Section 132(f) of the Internal Revenue Service (IRS) Code to let their employees use up to \$110 per month of their pre-tax salaries to pay for their transit or vanpool commuting expenses and up to \$215 per month for commuter parking. Employers can also pay for their employees' transit or parking expenses as a fringe benefit.

The two bills, introduced in the U.S. Senate by Sen. Charles Schumer of New York on Feb. 28, 2007 as S.712, and in the House of Representatives by Rep. James McGovern on March 12, 2007 as H.R. 1475, would amend the IRS Code to set the monthly tax-free contribution limit for both transit/vanpool and commuter parking at \$200 a month.

"These bills would allow employers to provide greater support to employees to choose mass transit as their means of commuting – and speaks to a growing focus on the way businesses are taking action to address environmental issues," said Larry Filler, president and CEO of TransitCenter and a leading advocate for commuter benefits for more than 20 years. "By offering commuter benefits programs, employers can reduce their impact on traffic congestion and air pollution in the communities they serve. We strongly support Representative McGovern and Senator Schumer for their efforts."

Increasing the monthly tax-free allowance for mass transit and making it equal to commuter parking would expand participation in commuter benefits programs and provide greater savings for employees choosing transit as a cost-effective and more sustainable alternative to driving to work each day.

TransitCenter introduced TransitChek[®], the nation's first commuter benefits program in 1987, which gave employers the ability to allow employees to pay for their transit commuting costs using tax-free dollars, encouraging greater use of mass transit to reduce traffic congestion and protect the environment.

At a March 13 press conference with mass transit leaders, Rep. McGovern said, "In finding ways to provide energy solutions and combat global warming this Congress cannot ignore the role of our nation's commuting habits. H.R. 1475 addresses these issues and highlights the necessary actions we need to take to increase mass transit usage and reduce congestion."

Jon Martz, president of the Association for Commuter Transportation (ACT), said in a statement, "The legislation introduced by Senator Schumer and Congressman McGovern recognizes the need to address congestion in light of global warming and energy issues. The transit benefit has provided employers an opportunity to engage their employees' commuting habits. This applies to not only urban areas, but also rural areas where commuters often travel many miles to and from their work place. ACT commends Congressman McGovern and Senator Schumer on their continued efforts."

About Tax-Free Commuter Benefits

Since 1993, employers have been able to offer employees a tax-free benefit for commuting by transit and eligible vanpools or to pay for commuter parking under IRS tax code section 132(f). Tax-free commuter benefits can be structured as an employee-funded pre-tax payroll deduction; as an employer-funded benefit; or the costs can be shared by employer and employee. Starting in 2007, the IRS has increased the maximum allowable monthly tax-free amount to pay for transit to \$110, and for commuter parking to \$215. The benefit can be delivered in the form of transit provider-specific passes, universally accepted vouchers and terminal-restricted debit cards, or through a reimbursement model under specific conditions defined by the IRS.

About TransitCenter[®], Inc.

A nonprofit corporation, TransitCenter specializes in tax-free commuter benefits, transit information and assistance for employers and commuters nationwide. TransitCenter introduced the nation's first tax-free commuter benefits program in 1987 to encourage more people to use mass transit to protect the environment, preserve natural resources and improve the quality of life where people work and live. Today, more than 11,000 employers and 500,000 employees participate in TransitCenter's TransitChek commuter benefits programs as a convenient, money-saving way to pay for commuting.

For 20 years, TransitCenter has worked hand-in-hand with transit providers, communities and employers to make mass transit more accessible. Independent as a nonprofit since 2001, TransitCenter was founded in 1986 as a joint alliance of leading public transit providers. A deep heritage in transit drives TransitCenter's continued commitment to bringing new innovations to employers and transit riders that participate in TransitChek tax-free commuter benefits programs. Learn more by visiting www.transitcenter.com.

#