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## Industry News

### TransitCenter: stimulus bill a win for transit riders

The Emergency Economic Recovery Act signed into law on Tuesday by President Obama provides significant tax savings, up to \$1,000 or more a year, to working Americans who commute by transit, announced [TransitCenter Inc.](#), a nonprofit that promotes mass transit use in order to reduce traffic congestion and improve air quality.

The law raises the amount of pretax income that workers enrolled in employer-sponsored commuter benefits programs can use to pay for mass transit -- from \$120 per month to \$230 per month.

Employees can now save up to \$1,000 a year or more on their transit commute, representing a potential \$440 a year increase in what they can save if their commuting expenses exceed the current monthly cap of \$120 per month. Meanwhile, companies offering the benefit can save up to an additional \$100 per employee per year in payroll taxes.

Besides providing relief to commuters who already use the benefit, the legislation will increase the number of employees offered the benefit as a result of the increase in employee and employer savings under the new law. Recent TransitCenter surveys indicate that as many as one-third of employers not currently offering the benefit would do so if the monthly transit benefit were increased significantly and 53 percent of employees said they would take advantage of the benefit if offered to them.

The commuter benefit allows employees to deduct up to \$230 per month from their gross income to pay for their mass transit commutes. Employees whose monthly mass transit fees are less than the \$230 cap are allowed to deduct the full amount from their paychecks. The measure helps employers save money by lowering their payroll taxes.

Additionally, employees are allowed to deduct up to \$230 per month for eligible commuter parking expenses.