



A bold voice for transportation workers

April 2, 2014

Support Transit Commuter Benefit in Extenders Package

Dear Senator:

As the Finance Committee begins the markup of the tax extenders package, the Transportation Trades Department, AFL-CIO (TTD) would like to express our support for an extension of employer-provided transit benefit. Without action, there will remain a bias in the federal tax code against public transportation, the millions of working people that use transit systems, and employers who rely on the benefit to reduce payroll costs.

The federal transit tax benefit allows employers to use pre-tax dollars to pay for employees' transit expenses. By reducing payroll taxes, commuters save as much as \$2,940 a year on their transit costs. The tax benefit also incentivizes the use of public transportation, which reduces commutes, keeps people employed and makes transportation accessible and affordable for all Americans. This is a great example of how federal policy can provide employers the tools to help workers save money, reduce commute time, and promote an efficient multi-modal transportation system.

Unfortunately, on January 1, the transit portion of the commuter benefit was drastically cut from \$240 to \$130 – a nearly 50 percent decrease – when Congress failed to enact legislation that would extend the program. In contrast, the parking benefit increased to \$250. This change creates not only a disincentive to use public transportation but also an effective tax on transit users, 70 percent of who are working families or poor. With transportation becoming the second largest household expense for many working families, the status quo is unacceptable.

The Committee's support for a two year, retroactive extension of the public transportation tax benefit that restores parity between parking and transit is the right thing to do, and we strongly support its swift passage.

Sincerely,

A handwritten signature in black ink, appearing to read 'Edward Wytkind'. The signature is fluid and somewhat abstract, with several loops and a long horizontal stroke at the bottom.

Edward Wytkind
President

Transportation Trades Department, AFL-CIO

815 16th Street NW / 4th Floor / Washington DC 20006
Tel:202.628.9262 / Fax:202.628.0391 / www.ttd.org
Edward Wytkind, President / Larry I. Willis, Secretary-Treasurer