

## Commuter Tax Benefits Summary Table

### Additional Resources

Qualified transportation fringe benefits (Section 132(f) of the Internal Revenue Code) or "Commuter Tax Benefits" are like money in the bank. Employers save on payroll related taxes. Employees save on federal income taxes.

Employers may provide workers with up to \$230 per month in tax-free transit and vanpool benefits in 2009. The monthly limitation under Section 132(f)(2)(A) Qualified Transportation Fringe Benefits regarding the aggregate fringe benefit exclusion amount for vanpools (commuter highway vehicles) and transit passes is \$230. The monthly limitation under Section 132(f) (2)(B) regarding the fringe benefit exclusion amount for qualified parking is \$230. Commuters can receive both the transit and parking benefits (i.e., up to \$460 per month). Employers can allow employees to use pretax dollars to pay for transit passes, vanpool fares and parking.

[IRS Final Rule on Section 132\(f\) \(pdf\)](#)

[Executive Order 13150 Federal Workforce Transportation](#)

[VA Transit Benefit Program Guidelines](#)

[US Dept of Agriculture Commute Transit Subsidy Benefit Directive](#)

[Federal Workforce Commute Benefits](#)

### 2009

	Transit	Vanpool	Qualified Parking	Qualified bicycle commuting reimbursement
Incentive Levels	Up to \$230/month* for transit expenses	Up to \$230/month* for vanpool expenses	Up to \$230/month** for parking at or near an employer's worksite, or at a facility from which employee commutes via transit, vanpool, or carpool	Up to \$20 per <a href="#">qualified bicycle commuting month</a> . This 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 <a href="#">reasonable expenses</a> incurred by the employee during the calendar year.
Employer Tax Benefit	Employers give their employees up to \$230/month* to commute via transit; gets a tax deduction and saves over providing same value in gross income or Employers allow employees to	Employers give their employees up to \$230/month* to commute via vanpool; gets a tax deduction and saves over providing same value in gross income or Employers allow employees to	Employers give their employees up to \$230/month** for qualified parking; gets a tax deduction and saves over providing same value in gross income or Employers allow employees to use	Employers reimburse their employees up to \$20/month for qualified bicycle commuting; gets a tax deduction and saves over providing same value in gross income

	<p>use pre-tax income to pay for transit and employers save on payroll tax (at least 7.65% savings)</p> <p>or</p> <p>A combination of both up to statutory limits</p>	<p>use pre-tax income to pay for vanpooling and employers save on payroll tax (at least 7.65% savings)</p> <p>or</p> <p>A combination of both up to statutory limits</p>	<p>pre-tax income to pay for qualified parking and employers save on payroll tax (at least 7.65% savings)</p> <p>or</p> <p>A combination of both up to statutory limits</p>	<p>According to the IRS, "Generally, you can exclude qualified transportation fringe benefits from an employee's wages even if you provide them in place of pay. However, qualified bicycle commuting reimbursements do not qualify for this exclusion."</p>
Employee Tax Benefit	<p>Employee receives up to \$230/month* tax free (not on their W-2 form)</p> <p>or</p> <p>Employee pays for commute benefit with the pre-tax income and saves on income tax</p> <p>or</p> <p>A combination of both</p>	<p>Employee receives up to \$230/month* tax free (not on their W-2 form)</p> <p>or</p> <p>Employee pays for commute benefit with the pre-tax income and saves on income tax</p> <p>or</p> <p>A combination of both</p>	<p>Employee receives up to \$230/month** tax free (not on their W-2 form) for qualified parking</p> <p>or</p> <p>Employee pays for commute benefit with the pre-tax income and saves on income tax</p> <p>or</p> <p>A combination of both</p>	

\* tax free transit and vanpool benefit limit increased from \$120 to \$230 per month beginning March 1, 2009 (part of the stimulus bill action)

\*\* tax free parking benefit limit increased to \$230 per month beginning January 1, 2009

**Qualified bicycle commuting month.** For any employee, a qualified bicycle commuting month is any month the employee: Regularly uses the bicycle for a substantial portion of the travel between the employee's residence and place of employment and does not receive: Transportation in a commuter highway vehicle, Any transit pass, or Qualified parking benefits.

**Reasonable expenses** include: The purchase of a bicycle and Bicycle improvements, repair, and storage. These are considered reasonable expenses as long as the bicycle is regularly used for travel between the employee's residence and place of employment.