



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Agenda Item 5a

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*Memorandum*

TO: Legislation Committee

DATE: June 3, 2011

FR: Executive Director

W.I. 1131

RE: H.R. 1825 (Blumenauer): Commuter Relief Act

**Background**

H.R. 1825 makes changes to the federal transportation fringe benefit program, provided for in Internal Revenue Code 132 (f), to provide the same federal tax savings regardless of whether employees drive to work alone, take transit or vanpool. Specifically, the bill sets a uniform benefit of \$200 per month. The bill also allows a person to receive the bicycling benefit of up to \$20 per month *and* another benefit, recognizing that many bicycle commuters also ride public transit. Lastly, the bill extends the public transit provisions of the program to the self-employed.

**Recommendation: Support**

**Discussion**

MTC has supported Congressional action to equalize transportation benefits and eliminate the disparity that provided tax-exempt parking benefits up to \$175 per month but transit and vanpooling only up to \$100 per month. In 2009, Congress provided parity for transportation fringe benefits through 2010 as part of the American Recovery & Reinvestment Act. Right before those provisions were set to expire, Congress once again extended the equal benefit at \$230/month through 2011. Unless Congress intervenes once more, the cap on transit and vanpooling will drop to about \$120 per month at the end of this year, resulting in significantly higher costs for public transit riders and vanpoolers.

By lowering the overall benefit cap to \$200 per month, H.R. 1825 is deficit neutral and stands a much greater chance of passage in a fiscally conservative Congress. H.R. 1825 takes on particular relevance given that MTC is sponsoring SB 582 (Emmerson) in Sacramento to authorize metropolitan planning organizations and their local air district to jointly adopt regional commuter benefit ordinances. SB 582 specifies that the ordinance must offer employers a menu of options, including giving employees the option to pay for their public transit, bicycling and vanpooling expenses with pre-tax dollars. Passage of H.R. 1825 is essential to retain a strong financial incentive to take public transit or vanpool and thereby maximize the mobility, climate change and air quality benefits of any future commuter benefit ordinance. For these reasons, we recommend a support position on the bill.

**Known Positions**

**Support**

Association for Commuter Transportation  
American Public Transportation Association  
League of American Bikers  
Transportation 4 America

**Oppose**

None on file



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Steve Heminger