



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

Senator Fuschillo Calls on Washington to Fully Restore Tax Benefit for Commuters

CHARLES J. FUSCHILLO JR. January 17, 2012

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With Congress returning to Washington for session today, Senator Charles J. Fuschillo, Jr. (R-Merrick), Chairman of the New York State Senate's Transportation Committee, once again wrote to Congressional leaders urging them to fully restore the federal commuter mass-transit tax benefit.

Congress allowed the benefit, which helps residents offset their commuting expenses, to be cut nearly in half on January 1st. As a result, commuters are now facing hundreds of dollars in higher costs.

"Congress' inaction in extending this benefit is costing commuters hundreds of dollars more a year. Raising taxes on people just for going to work is the last thing we should be doing, especially in this economy. Now that Congress is once again in session, they need to make restoring this benefit a priority," said Senator Fuschillo.

Employers are allowed to let their workers set aside a portion of their pre-tax salary to cover commuting expenses through mass-transit. In 2009, Congress approved an increase in the maximum transit benefit but the benefit needed to be renewed on a yearly basis. An extension was approved in 2010, but Congress did not reauthorize another extension by the

December 31, 2011 deadline. As a result, commuters' mass transit tax benefits were cut from \$230 to \$125 a month. New York State offers a similar benefit, but since the state's benefit is dependent on the federal one, commuters are seeing both their state and federal benefits cut almost in half.

Adding further insult to injury for mass transit users, the federal pre-tax benefit which helps offset commuter parking costs was increased to \$240 for 2012. This disparity actually discourages commuters from using mass transit altogether, increasing congestion and auto emissions.

Senator Fuschillo is also sponsoring legislation (S2728C) to restore the state mass transit tax benefit to 2011 levels and adjust it annually for inflation, regardless of whether Congress authorizes additional extensions. The legislation would also make the benefit equal to the pre-tax parking benefit. This would restore the cut to commuters' state pre-tax transit benefits caused by Washington's inaction and put the state's transit benefit on the same level as the parking benefit, which is \$240 a month for 2012.