



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

Senator Fuschillo Calls for Action on Restoring Tax Benefit for Commuters

CHARLES J. FUSCHILLO JR. April 16, 2012

| ISSUE: **INCOME TAX**

With Congress returning to session today and the New York State Assembly returning to session tomorrow after a two week recess, New York State Senator Charles J. Fuschillo, Jr. (R-Merrick) today called on both federal and state lawmakers to make restoring the mass transit tax benefit for commuters a top priority.

“Every day that passes without restoring this benefit is another day of added costs on New York’s overburdened commuters. Taxing people more just to get to work is the last thing we should be doing in this economy. It’s long past time to restore this benefit and Congress should act on it immediately,” said Senator Fuschillo, Chairman of the New York State Senate’s Transportation Committee.

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 to \$230 a month, 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.

Senator Fuschillo is sponsoring legislation in the New York State Senate (S2728C) to restore the benefit on the state level. The legislation would restore the state's mass transit benefit to 2011 levels and adjust it annually for cost of living increases, regardless of whether Congress authorizes additional extensions. The legislation would also make the mass transit benefit equal to the pre-tax parking benefit. Passing this legislation would mean commuters' state mass transit benefit would be \$240 a month for 2012. The State Senate passed the legislation in February but it has not yet been acted upon by the Assembly.

Senator Fuschillo called on the Assembly to take the measure up immediately.

"Passing this legislation would restore the state benefit, deliver valuable savings to commuters, and ensure that the state benefit is no longer affected by Congressional inaction. There's no reason to wait. The Assembly should immediately join the Senate in approving it," Senator Fuschillo added.

In a memo "strongly supporting" the legislation, the Permanent Citizens Advisory Council to the MTA, which includes the Long Island Rail Road Commuter Council, the Metro-North Railroad Commuter Council, and the New York City Transit Riders Council, noted that "the expiration of higher transit benefit limits has in effect resulted in a tax increase for transit commuters," and that "regardless of action that may be taken at the federal level, state law should not disadvantage transit commuters."