



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

Senate Approves Senator Fuschillo's Legislation to Ensure Commuters' State Tax Benefit Is Not Affected Again by Federal Gridlock

CHARLES J. FUSCHILLO JR. June 13, 2013

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Senator Charles J. Fuschillo, Jr. (R-Merrick) today announced that the New York State Senate has passed legislation he sponsored to ensure that New York State's pre-tax mass transit benefit, which provides state tax savings to commuters who use the Long Island Rail Road and other mass transit, is not reduced because of gridlock in Washington.

"All throughout 2012, hardworking commuters had to pay more of their hard earned money just to get to work because Washington's inaction cut their pre-tax mass transit benefit. While Congress ultimately restored the benefit retroactively, the current benefit lasts only through the end of the year, meaning commuters could be right back in the same spot next year. Given the already high cost of mass transit and the current economy, that is not something they can afford. This legislation would ensure that commuters' state pre-tax mass transit benefits are not cut because of Congressional inaction," said Senator Fuschillo, Chairman of the Senate's Transportation Committee.

Both the federal government and New York State offer a monthly pre-tax benefit in which employers can allow their workers to set aside a portion of their pre-tax salary to cover mass-transit commuting expenses. In 2009, Congress approved an increase in the maximum

transit benefit to \$230 a month, but the increase was not permanent or indexed to inflation; it must 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 \$240 to \$125 a month in 2012. 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.

While the federal government ultimately restored the benefit retroactively earlier this year, Washington authorized a one-year extension which expires at the end of this year, meaning commuters could once again see these savings held hostage because of Congressional gridlock.

Senator Fuschillo's legislation (S770B) would prevent the state's benefit from being reduced due to Congressional inaction by making the state benefit permanent at the current \$245 a month level and adjusting it annually for inflation. The legislation would also make the state's pre-tax mass transit benefit equal to the pre-tax parking benefit offered to commuters who carpool, which unlike the current pre-tax mass transit benefit is indexed to inflation.

"On behalf of the Long Island Rail Road Commuter's Council, I would like to thank Senator Fuschillo for sponsoring this extremely important legislation and the State Senate for passing it. The mass transit pre-tax benefit program is an important lifeline which helps hardworking commuters make ends meet. Making it permanent shows a commitment to encouraging the use of mass transit, including the LIRR, and brings certainty to employers who wish to implement this program for their employees. We once again call upon the United States Congress to follow the New York State Senate's lead and make this benefit permanent on the federal level as well," said Mark Epstein, Chairman of the Long Island Rail Road Commuter's Council.