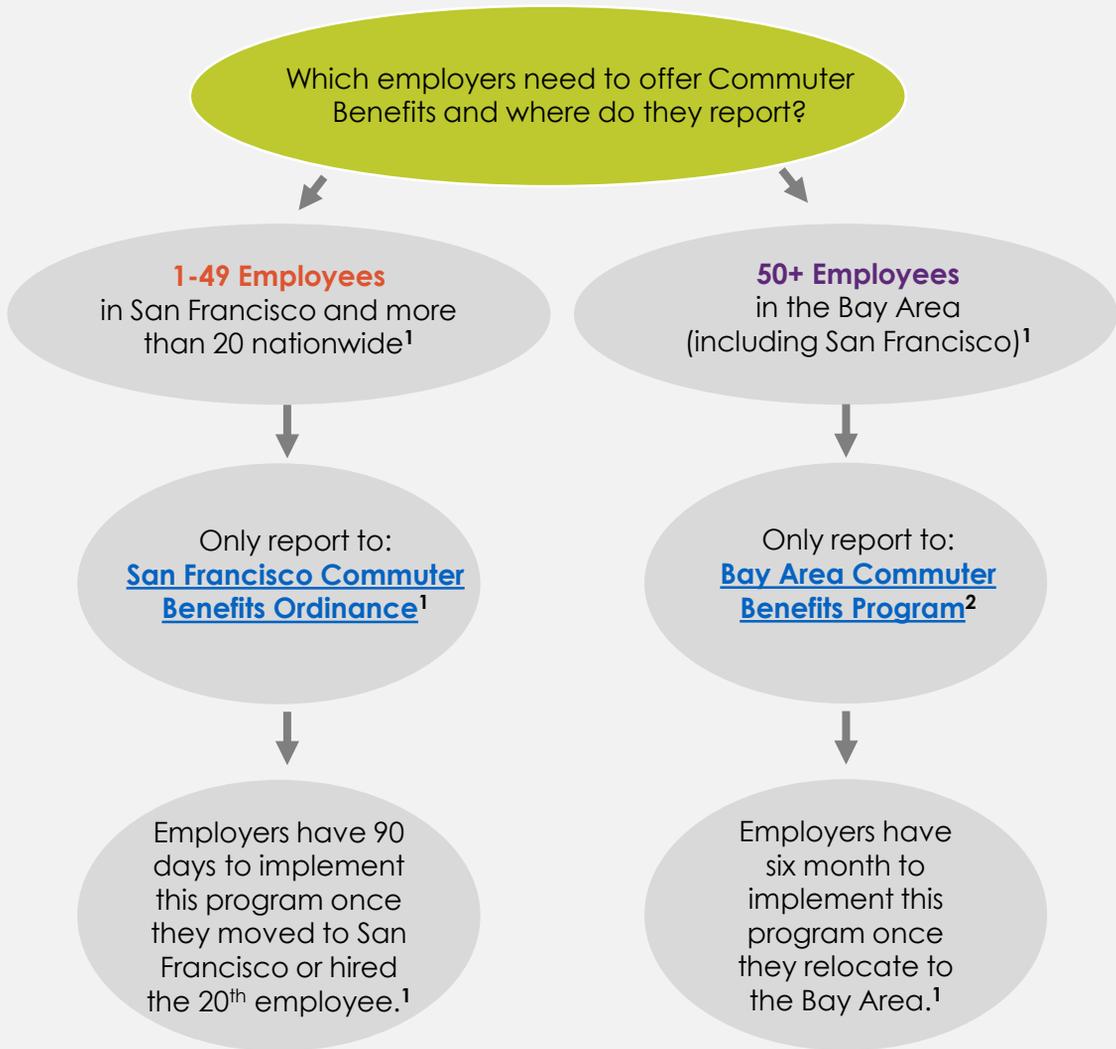




Commuter Benefit Programs

Commuter Benefit Programs aim to reduce traffic congestion and greenhouse gas emissions related to vehicle transportation. Many employers in the Bay Area are required to offer Commuter Benefit Programs. For applicability, compliance and program design, please read through this Fact Sheet.



Sources:

¹ [SF Environment \(2018\)](#)

² [511 SF Bay \(2018\)](#)



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THE FACTS

What are the Program Options and how are they affected by the 2018 tax reform?

Businesses are required to offer one of the following options:

1 Pre-Tax Benefit: A monthly pre-tax deduction of up to \$260 per month to pay for transit or vanpool expenses.^{1,2}

- There is no change due to the 2018 tax reform.³

2 Employer-Paid Benefit: A monthly subsidy for transit or vanpool that covers the expenses of the employee's commute (up to \$75 per month).^{1,2}

- Employers who subsidize transit can no longer write off those subsidies for corporate tax purpose. However, subsidies can still be exempt for payroll tax purpose.³
- The tax-free reimbursement of bicycle expenses is suspended through 2025.³

3 Employer-Provided Transportation: An Employer-provided free or low-cost bus, shuttle or vanpool service to and from the workplace.^{1,2}

- Employers are unable to deduct the costs of employer-provided transportation as a business expense. However, employees do not pay taxes on the value of employer-provided transportation if this is considered as a "commuter highway vehicle". Please consult your tax adviser for more information.⁴

4 Alternative*: Possible options for an alternative commuter benefits program include carpool or bicycle subsidies or telework programs. For more information on alternative options [click here](#).²

- Employer provided benefits for carpooling or bicycling are not included in the federal commuter tax benefits, the value of subsidies would be taxable for employers and employees.⁴

*only for Bay Area Commuter Benefits Program

For more questions [click here](#).

Sources:

¹ [SF Environment \(2018\)](#)

² [511 SF Bay \(2018\)](#)

³ [ACT \(2017\)](#)

⁴ [511 Employer Guide \(2018\)](#)



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A research project for TMASF Connects
by Marena Puetzschler