



Statement of Colleen M. Kelley
National President
National Treasury Employees Union

On

“Extension of Employer Provided Mass Transit Benefit”

Submitted to

House Committee on Ways and Means

April 8, 2014

Chairman Camp, Ranking Member Levin, and distinguished members of the committee, on behalf of the National Treasury Employees Union (NTEU), I would like to thank you for allowing me to submit comments on expiring tax provisions, and in particular, the importance of extending the employer provided mass transit benefit.

As you may know, because Congress did not act to maintain parity between the transit and parking benefits by the end of 2013, the transit portion of the commuter benefit dropped to \$130/month on January 1.

In the meantime, the monthly limit for the parking portion of the commuter benefit was increased from \$245 per month to \$250 per month due to an automatic cost of living increase, further exacerbating the disparity between the transit and parking benefits.

NTEU believes it is critical that Congress quickly act to reinstate parity between the transit and parking portions of the commuter benefit and make it permanent. Many working people that use public transportation to get to and from work, rely on the transit benefit which has provided much needed relief in their commuting costs. Many of these workers are struggling in the current economic climate, and a reduction in these benefits is imposing a severe financial burden on them.

Reinstating the monthly transit subsidy to a level equal to the parking benefit also encourages greater transit ridership, which helps lessen congestion on roadways, reduces pollution and conserves energy.

In addition to providing economic relief to workers and positively impacting the environment, extending the mass transit benefit also provides tax relief for the employers that offer the benefit. Because the mass transit is a pre-tax benefit, employers do not have to pay payroll taxes on it, providing savings which can be reinvested in the company. It is estimated that in 2010, employers saved over \$300 million by offering this critical benefit to their employees.

We were disappointed that the tax reform discussion draft released by Chairman Camp earlier this year would freeze the parking and transit benefit amounts at their current levels, and would prevent future adjustments for inflation. Simply codifying the current disparity between the transit and parking benefits in the tax code is just bad policy. Furthermore, it certainly makes no sense for the government to provide workers using environmentally helpful mass transit a lesser benefit than those driving and parking personal vehicles.

Mr. Chairman and distinguished members of the committee, NTEU asks that as you consider a tax extenders package, you include an extension of the mass transit benefit that will restore parity with the parking portion of the commuter benefit, allow working families to save money on their daily commute, reduce traffic congestion, and improve air quality.

We would note that just last week the Senate Finance Committee approved legislation, the "Expiring Provision Improvement Reform and Efficiency (EXPIRE) Act," that would extend a number of tax provisions that have expired or will expire at the end of this year, including a

provision that would reinstate parity between the transit and parking portions of the commuter benefit through the end of 2015 and make it retroactive back to January 1, 2014.

We urge the committee to include a similar provision in any “extender package” approved by the committee as well as ask your support for stand-alone legislation pending in the House, H.R. 3739 introduced by Rep. Edwards which would permanently establish parity between the parking and mass transit portions of the transportation fringe benefit.

NTEU appreciates the opportunity to provide comments on the importance of extending the mass transit benefit, and stands ready to do all it can to ensure this critical benefit for workers and employers is extended in the near future.