

June 8, 2012

The Honorable Dave Camp
Chair
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Sander M. Levin
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Pat Tiberi
Chair
Subcommittee on Select Revenue Measures
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Richard E. Neal
Ranking Member
Subcommittee on Select Revenue Measures
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairmen Camp and Tiberi and Representatives Levin and Neal,

As you continue your ongoing review of tax extenders, we urge you to permanently extend the mass transit commuter tax benefit (section 132(f) in the tax code) at the level equivalent to the monthly parking benefit. Originally enacted in 2009 as part of bipartisan legislation, this provision, which expired at the end of last year, helped cut commuting costs by establishing parity with the tax-free parking benefits available to commuters who drive.

Three years ago, Congress raised the tax-free benefit that workers could apply toward monthly commuting expenses, from \$120 per month up to \$230 per month, putting transit benefits on par with parking benefits. Since the end of last year, however, the tax savings for the transit benefit have been significantly reduced as commuters who use rail, subways, buses or vanpools are only eligible for up to \$125 in monthly pre-tax transit benefits with the recent Internal Revenue Service cost of living adjustment.

In the past, this important provision has eased the burden of commuting costs on American families, reduced stress and congestion on our roads and highways, lowered harmful air pollutant emissions and decreased domestic reliance on foreign fuel sources. More than 2.7 million Americans nationwide utilize the transit benefit, with over one third of those users spending more than \$125 per month. Additionally, commuter benefits are an attractive fringe incentive offered by employers.

As such, failure to extend the higher mass transit benefit would prolong the tax hike on middle-class transit riders and their employers during an economic recession and rising gasoline prices when such ridership should be encouraged. Unlike other tax cuts, this benefit impacts employers and employees immediately and reduces their tax liability, resulting in sound fiscal savings for both. Furthermore, federal tax law should refrain from favoring one means of commuting over another.

For these reasons, we ask that you permanently reestablish parity between parking and mass transit benefits. And we look forward to working with you in the coming weeks on this important matter.

Sincerely,

Alliance to Save Energy
American Public Transportation Association
Ceres
Coalition for Smarter Growth
Smart Growth America