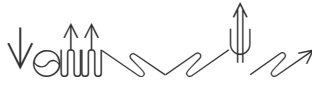
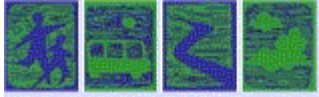


Transportation Air Quality Center



Frequently Asked Questions About Commuter Choice Reprinted from the Association for Commuter Transportation's *"Transportation Demand Management Tool Kit"*

What is the Transit Benefit Program?

It is a provision of the Internal Revenue Code (IRC), Section 132 (f) that permits an employer to subsidize his/her employees' cost of commuting to work by transit or vanpool. It also allows employees to use pre-tax dollars to pay for their transit or vanpooling expenses. The Commuter Choice Program expands on the Transit Benefit Program to encourage and benefit an even larger of work commute modes.

What types of transit service qualify for the Transportation Commute Benefit?

Any type of transit service, publicly or privately owned or operated including bus, rail, subway, ferry, subscription bus, shuttle bus, and commuter highway vehicles (vanpools) under contract which provides to the public and/or employees, general or special service on a regular and continuing basis.

What various vanpool arrangements qualify for the Transportation Commute Benefit?

Transportation in a commuter highway vehicle (vanpool) which is provided "by-and-for" (on behalf of) the employer is eligible for the Transportation Commute Benefit. These types of vanpool arrangements are: employer-owned, employer-leased, employee-owned, employee-leased, and public transit operated.

Can an employer provide the parking benefit in addition to the commuter highway vehicle benefit to employees who travel in vanpools that use commercial parking?

The designated employee "prime member" (often the driver or the person assigned the parking space) who travels in a commuter highway vehicle that uses commercial parking is eligible for the parking benefit (up to \$175/month), while at the same time is entitled to the commuter highway vehicle benefit (up to \$65/month). All other employees commuting in a highway vehicle which are not the "prime member" are only eligible for the vanpool benefit, not the parking benefit. Only one person can receive the parking benefit.

May an employee who receives up to \$65/month for using transit or a commuter highway vehicle to commute to work also receive a qualified parking benefit to subsidize the employee's cost of parking in a facility at or near the place which he/she commutes to work at a transit parking lot that charges a fee)?

Yes. Under section 132(f)(2) an employee may receive a qualified parking benefit in addition to the transit or vanpool benefit. However, the answer to the previous question is relevant to determining who is eligible to receive the parking benefit in a vanpool arrangement.

Are bicyclists and/or walkers covered under the Transportation Commute Benefit?

Through Parking Cash Out programs, bicyclists and walkers are indirectly covered. The tax law does

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