



# Tax Benefits

Besides helping air quality, traffic congestion and employee morale, you and your employees can benefit from tax savings.

Under the Tax Code 132 (F), an employer can deduct \$230 per month per employee for transit and vanpool fees and \$230 per month per employee for qualified tax-free parking. If you compare that to a \$230 per month salary increase, for example, both the employer and employee come out ahead when commuter benefits are offered.

*★Consult your tax professional for a complete analysis of potential savings and benefits.*

There are three ways to set up these benefits:

1. Employer and employee share the cost
2. Employer sets up a pre-tax system, like a flexible medical spending account (many payroll systems offer this option.)
3. Employer covers the entire amount.

	Transit	Vanpool	Qualified Parking
<b>Incentive Levels</b>	Up to \$230/month for bus/rail expenses	Up to \$230/month for vanpool expenses	Up to \$230/month for parking at or near an employer's worksite, or at a facility from which employee commutes via transit, vanpool, or carpool
<b>Employer Tax Benefit</b>	Employers give their employees up to \$230/month to commute via transit; gets a tax deduction and saves over providing same value in gross income or Employers allow employees to use pre-tax income to pay for transit and employers save on payroll tax (at least 7.65% savings) or A combination of both up to statutory limits	Employers give their employees up to \$230/month to commute via vanpool; gets a tax deduction and saves over providing same value in gross income or Employers allow employees to use pre-tax income to pay for vanpooling and employers save on payroll tax (at least 7.65% savings) or A combination of both up to statutory limits	Employers give their employees up to \$230/month for qualified parking; gets a tax deduction and saves over providing same value in gross income or Employers allow employees to use pre-tax income to pay for qualified parking and employers save on payroll tax (at least 7.65% savings) or A combination of both up to statutory limits
<b>Employee Tax Benefit</b>	Employee receives up to \$230/month tax free (not on their W-2 form) or Employee pays for commute benefit with the pre-tax income and saves on income tax or A combination of both	Employee receives up to \$230/month tax free (not on their W-2 form) or Employee pays for commute benefit with the pre-tax income and saves on income tax or A combination of both	Employee receives up to \$230/month tax free (not on their W-2 form) for qualified parking or Employee pays for commute benefit with the pre-tax income and saves on income tax or A combination of both