



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

Senate Passes Fuschillo Bill to Make State Tax Benefit for Commuters Permanent

CHARLES J. FUSCHILLO JR. April 12, 2011

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Legislation Would Create Permanent \$230 a Month Tax Benefit to Help Commuters Offset Costs for Mass-Transit

Senator Charles J. Fuschillo, Jr. (R-Merrick) announced that the New York State Senate has passed legislation he sponsors to create a permanent state tax benefit program to help commuters pay for their commuting expenses.

The legislation would create a permanent state benefit in which commuters could set aside \$230 of their pre-tax salary each month to pay for mass-transit commuting costs.

“Long Island commuters spend thousands of dollars a year just to get to and from their jobs; the last thing we should be doing is making mass transit more unaffordable. Making the commuter tax benefit permanent will ensure that Long Islanders continue to receive valuable savings on their commuting costs,” said Senator Fuschillo, Chairman of the Senate’s Transportation Committee.

Under current federal law, employers are allowed to let their workers set aside up to \$230 a month of their pre-tax salary to cover commuting expenses through mass-transit, including the Long Island Rail Road. New York State mirrors this program and extends the same benefit to state taxes as well.

However, this \$230 tax benefit is not permanent. Congress raised the monthly benefit to \$230 from \$120 for 2010 and extended it at that level again until the end of 2011. If Congress does not authorize another extension, the benefit would revert back to its original \$120 limit. Since the state’s benefit is tied to the federal benefit, commuters would see both their state and federal benefits cut in half if Washington does not approve it.

Senator Fuschillo’s legislation (S2728B) makes the \$230 state benefit permanent, ensuring that commuters would still receive the state tax benefit regardless of whether Washington continues the federal program.

Allowing the existing \$230 a month credit to expire would greatly add to a commuter’s travel expenses. As an example, a commuter who takes the LIRR from Massapequa to Penn Station in New York City sees nearly the entire cost of his or her monthly LIRR ticket covered by the \$230 benefit. The benefit would cover less than half that cost if it were reduced back to the \$120 level.

The legislation has been sent to the Assembly for consideration.

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