



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

Senator Fuschillo: Assembly Should Pass Legislation to Prevent Commuters From Losing State Tax Benefits to Federal Gridlock

CHARLES J. FUSCHILLO JR. September 10, 2013

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With commuters' federal and state pre-tax transit benefits set to expire at the end of the year, Senator Charles J. Fuschillo, Jr. (R-Merrick) is calling on the New York State Assembly to join the Senate in passing legislation to prevent New York State's pre-tax mass transit benefit from being reduced because of gridlock in Washington. The benefit provides state tax savings to commuters who use the Long Island Rail Road and other mass transit.

"Commuters paid much more to get to work last year because Congress failed to reauthorize their pre-tax transit benefit. Although the benefit was ultimately restored retroactively, commuters will be right back in the same spot if Congress does not renew the current benefit by the end of the year. The New York State Senate approved legislation to protect commuters from having their state tax benefits cut because of Congressional inaction. Given Washington's dysfunction, the Assembly should do the same as soon as they return to session," said Senator Fuschillo, Chairman of the Senate's Transportation Committee.

Both the federal government and New York State offer a monthly pre-tax benefit in which employers can allow their workers to set aside a portion of their pre-tax salary to cover mass-transit commuting expenses. In 2009, Congress approved an increase in the maximum

transit benefit to \$230 a month, but the increase was not permanent or indexed to inflation; it must be renewed on a yearly basis. An extension was approved in 2010, but Congress did not reauthorize another extension by the December 31, 2011 deadline. As a result, commuters' mass transit tax benefits were cut from \$240 to \$125 a month in 2012. New York State offers a similar benefit, but since the state's benefit is dependent on the federal one, commuters are seeing both their state and federal benefits cut almost in half.

While the federal government ultimately restored the benefit retroactively earlier this year, Washington authorized a one-year extension which expires at the end of this year, meaning commuters could once again see these savings held hostage because of Congressional gridlock.

Senator Fuschillo's legislation (S770B) would prevent the state's benefit from being reduced due to Congressional inaction by making the state benefit permanent at the current \$245 a month level and adjusting it annually for inflation. The legislation would also make the state's pre-tax mass transit benefit equal to the pre-tax parking benefit offered to commuters who carpool, which unlike the current pre-tax mass transit benefit is indexed to inflation.

The legislation was passed by the New York State Senate on June 13th.