



TRANSIT NEWS

For Immediate Release
November 30, 2010

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Failure to Extend Transit Commuter Benefits Equals Higher Costs for the Middle Class

Middle class Americans who ride public transportation will face increased commuting costs if Congress does not act to extend the transit commuter benefit by the end of the year. The American Public Transportation Association (APTA) says that 70 percent of those who rely on public transit have household incomes from \$15,000 to \$99,000 a year, according to its latest demographic survey of riders.

“Unless Congress acts, a financial bias in the tax code against public transit use will be reinstated,” said APTA President William Millar. “This in effect raises taxes on middle class workers.”

The American Recovery and Reinvestment Act (ARRA) established parity between parking and transit/vanpool benefits, presently at \$230 per month; however the transit/vanpool portion of the benefit will revert back to \$120 per month when the provision sunsets at the end of the year while the parking benefit remains at \$230. APTA is calling on Congress to act now to permanently extend the maximum transit commuter tax benefit to the level equal to the parking tax benefit.

“While Congress is currently debating the extension of various tax provisions, there should be no debate about extending this vital commuter benefit for the American worker,” said Millar. “These challenging economic conditions have also placed considerable pressure on employers to reduce costs. Without this tax extension, employers will have no financial incentive to provide transit commuter benefits equal to the parking benefit. This results in bad public policy that favors automobile use over public transit use.”

Public transit riders should tell Congress to support the commuter transit benefit in any tax proposal passed before the end of the year. Specifically riders should encourage Congress to support Representative Jim McGovern’s (D-MA) legislation in the U.S. House of Representatives and U.S. Senator Charles E. Schumer’s (D-NY) legislation on the Senate side before the extension expires on December 31, 2010.

“Nearly 20 percent of a household’s income is spent on transportation costs and public transportation provides an affordable, and for many a necessary, alternative to driving,” said Millar. “This benefit has become an essential tool for many working families to help balance their budgets. With many public transportation agencies implementing fare increases to balance

their budgets, the higher level of transit commuter benefit helps soften the blow of those increased costs.”

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The American Public Transportation Association (APTA) is a nonprofit international association of more than 1,500 public and private member organizations, engaged in the areas of bus, paratransit, light rail, commuter rail, subways, waterborne passenger services, and high-speed rail. This includes: transit systems; planning, design, construction, and finance firms; product and service providers; academic institutions; transit associations and state departments of transportation. More than 90 percent of the people using public transportation in the United States and Canada are served by APTA member systems.