

114TH CONGRESS
1ST SESSION

H. R. 990

To amend the Internal Revenue Code of 1986 to modify the exclusion for transportation benefits.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 13, 2015

Mr. KING of New York (for himself, Mr. BLUMENAUER, Mr. MCGOVERN, Mr. SEAN PATRICK MALONEY of New York, Mr. HULTGREN, Mr. DOLD, Mr. LANCE, and Mr. LIPINSKI) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to modify the exclusion for transportation benefits.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Commuter Parity Act
5 of 2015”.

6 **SEC. 2. QUALIFIED TRANSPORTATION FRINGE.**

7 (a) IN GENERAL.—Subsection (f) of section 132 of
8 the Internal Revenue Code of 1986 is amended to read
9 as follows:

1 “(f) QUALIFIED TRANSPORTATION FRINGE.—

2 “(1) IN GENERAL.—For purposes of this sec-
3 tion, the term ‘qualified transportation fringe’ means
4 any of the following provided by an employer to an
5 employee:

6 “(A) Transportation in a commuter high-
7 way vehicle if such transportation is in connec-
8 tion with travel between the employee’s resi-
9 dence and place of employment.

10 “(B) Any transit pass.

11 “(C) Qualified parking.

12 “(D) Any qualified bicycle commuting re-
13 imbursement.

14 “(2) LIMITATION ON EXCLUSION.—The amount
15 of the fringe benefits which are provided by an em-
16 ployer to any employee and which may be excluded
17 from gross income under subsection (a)(5) shall not
18 exceed—

19 “(A) \$235 per month in the case of the ag-
20 gregate of the benefits described in subpara-
21 graphs (A) and (B) of paragraph (1),

22 “(B) \$235 per month in the case of quali-
23 fied parking, and

24 “(C) \$35 per month for qualified bicycle
25 commuting reimbursement.

1 “(3) CASH REIMBURSEMENTS.—For purposes
2 of this subsection, the term ‘qualified transportation
3 fringe’ includes a cash reimbursement by an em-
4 ployer to an employee for a benefit described in
5 paragraph (1). The preceding sentence shall apply to
6 a cash reimbursement for any transit pass only if a
7 voucher or similar item which may be exchanged
8 only for a transit pass is not readily available for di-
9 rect distribution by the employer to the employee.

10 “(4) NO CONSTRUCTIVE RECEIPT.—No amount
11 shall be included in the gross income of an employee
12 solely because the employee may choose between any
13 qualified transportation fringe and compensation
14 which would otherwise be includible in gross income
15 of such employee.

16 “(5) DEFINITIONS.—For purposes of this sub-
17 section—

18 “(A) TRANSIT PASS.—The term ‘transit
19 pass’ means any pass, token, farecard, voucher,
20 or similar item entitling a person to transpor-
21 tation (or transportation at a reduced price) if
22 such transportation is—

23 “(i) on mass transit facilities (whether
24 or not publicly owned), or

1 “(ii) provided by any person in the
2 business of transporting persons for com-
3 pensation or hire if such transportation is
4 provided in a vehicle meeting the require-
5 ments of subparagraph (B)(i).

6 “(B) COMMUTER HIGHWAY VEHICLE.—
7 The term ‘commuter highway vehicle’ means
8 any highway vehicle—

9 “(i) the seating capacity of which is at
10 least 6 adults (not including the driver),
11 and

12 “(ii) at least 80 percent of the mileage
13 use of which can reasonably be expected to
14 be—

15 “(I) for purposes of transporting
16 employees in connection with travel
17 between their residences and their
18 place of employment, and

19 “(II) on trips during which the
20 number of employees transported for
21 such purposes is at least ½ of the
22 adult seating capacity of such vehicle
23 (not including the driver).

24 “(C) QUALIFIED PARKING.—The term
25 ‘qualified parking’ means parking provided to

1 an employee on or near the business premises
2 of the employer or on or near a location from
3 which the employee commutes to work by trans-
4 portation described in subparagraph (A), in a
5 commuter highway vehicle, or by carpool. Such
6 term shall not include any parking on or near
7 property used by the employee for residential
8 purposes.

9 “(D) TRANSPORTATION PROVIDED BY EM-
10 PLOYER.—Transportation referred to in para-
11 graph (1)(A) shall be considered to be provided
12 by an employer if such transportation is fur-
13 nished in a commuter highway vehicle operated
14 by or for the employer.

15 “(E) EMPLOYEE.—For purposes of this
16 subsection, the term ‘employee’ includes an in-
17 dividual who is an employee within the meaning
18 of section 401(c)(1).

19 “(F) QUALIFIED BICYCLE COMMUTING RE-
20 IMBURSEMENT.—For the purposes of this sub-
21 section, the term ‘qualified bicycle commuting
22 reimbursement’ means any employer reimburse-
23 ment for reasonable expenses incurred by the
24 employee for the purchase of a bicycle and bicy-
25 cle improvements, repair, and storage, or

1 bikesharing program, if such bicycle is regularly
2 used for travel between the employee’s residence
3 and place of employment.

4 “(6) INFLATION ADJUSTMENT.—

5 “(A) IN GENERAL.—In the case of any
6 taxable year beginning in a calendar year after
7 2016, the dollar amounts contained in para-
8 graph (2) shall be increased by an amount
9 equal to—

10 “(i) such dollar amount, multiplied by

11 “(ii) the cost-of-living adjustment de-
12 termined under section 1(f)(3) for the cal-
13 endar year in which the taxable year be-
14 gins, by substituting ‘calendar year 2015’
15 for ‘calendar year 1992’.

16 “(B) ROUNDING.—If any increase deter-
17 mined under subparagraph (A) is not a multiple
18 of \$5, such increase shall be rounded to the
19 next lowest multiple of \$5.

20 “(7) COORDINATION WITH OTHER PROVI-
21 SIONS.—For purposes of this section, the terms
22 ‘working condition fringe’ and ‘de minimis fringe’
23 shall not include any qualified transportation fringe
24 (determined without regard to paragraph (2)).”.

1 (b) CONFORMING AMENDMENTS.—Sections
2 403(b)(3)(B), 414(s)(2), 415(c)(3)(D)(ii) of such Code
3 are each amended by striking “132(f)(4),”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to months beginning after the date
6 of the enactment of this Act, in taxable years ending after
7 such date.

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