

112TH CONGRESS
1ST SESSION

H. R. 1825

To amend the Internal Revenue Code of 1986 to improve commuting and transportation options.

IN THE HOUSE OF REPRESENTATIVES

MAY 11, 2011

Mr. BLUMENAUER (for himself, Mrs. CAPPS, Mr. CONNOLLY of Virginia, Mr. FILNER, Ms. HIRONO, Mr. KUCINICH, Mr. MCGOVERN, Mr. GEORGE MILLER of California, Mr. MORAN, Mr. SIRES, Mr. POLIS, and Mr. RANGEL) 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 improve commuting and transportation options.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Commuter Relief Act”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Increased uniform dollar limitation for all types of transportation fringe benefits.

Sec. 3. Eligibility of self-employed individuals to receive transit fringe benefits.

Sec. 4. Parking cash-out programs.

Sec. 5. Vanpool investment credit.

Sec. 6. Employees may receive transit passes and reimbursement of bicycle commuting expenses as excludable fringe benefits for the same month.

1 **SEC. 2. INCREASED UNIFORM DOLLAR LIMITATION FOR**
2 **ALL TYPES OF TRANSPORTATION FRINGE**
3 **BENEFITS.**

4 (a) IN GENERAL.—Paragraph (2) of section 132(f)
5 of the Internal Revenue Code of 1986 (relating to limita-
6 tion on exclusion) is amended—

7 (1) by striking “\$100” in subparagraph (A)
8 and inserting “\$200”, and

9 (2) by striking “\$175” in subparagraph (B)
10 and inserting “\$200”.

11 (b) INFLATION ADJUSTMENT CONFORMING AMEND-
12 MENTS.—Subparagraph (A) of section 132(f)(6) of the In-
13 ternal Revenue Code of 1986 (relating to inflation adjust-
14 ment) is amended—

15 (1) by striking the last sentence,

16 (2) by striking “1999” and inserting “2012”,
17 and

18 (3) by striking “1998” and inserting “2011”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years beginning after
21 December 31, 2011.

1 **SEC. 3. ELIGIBILITY OF SELF-EMPLOYED INDIVIDUALS TO**
2 **RECEIVE TRANSIT FRINGE BENEFITS.**

3 (a) IN GENERAL.—Subparagraph (E) of section
4 132(f)(5) is amended—

5 (1) by striking “For purposes of this sub-
6 section, the term” and inserting the following:

7 “(i) IN GENERAL.—Except as pro-
8 vided in clause (ii), the term”, and

9 (2) by adding at the end the following new
10 clause:

11 “(ii) SELF-EMPLOYED INDIVIDUALS ELIGIBLE FOR
12 TRANSIT PASS FRINGE BENEFIT.—For purposes of para-
13 graph (1)(B), such term includes an individual who is an
14 employee within the meaning of section 401(c)(1).”.

15 (b) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to taxable years beginning after
17 December 31, 2011.

18 **SEC. 4. PARKING CASH-OUT PROGRAMS.**

19 (a) IN GENERAL.—Subparagraph (C) of section
20 132(f)(5) is amended—

21 (1) by striking “The term” and inserting the
22 following:

23 “(i) IN GENERAL.—The term”.

24 (2) by adding at the end of clause (i), as
25 amended by paragraph (1), the following: “Such
26 term shall not include any parking with respect to

1 any specified employer unless such employer estab-
2 lishes a parking cash-out program.”, and

3 (3) by adding at the end the following new
4 clauses:

5 “(ii) SPECIFIED EMPLOYER.—For
6 purposes of this subparagraph, the term
7 ‘specified employer’ means any employer
8 who—

9 “(I) employs on average 50 or
10 more employees during the calendar
11 year,

12 “(II) leases the parking facilities
13 referred to in clause (i),

14 “(III) can separately determine
15 the amount paid per parking space
16 leased, and

17 “(IV) can reduce the number of
18 parking space leased (on a basis not
19 less frequently than monthly) without
20 penalty.

21 “(iii) PARKING CASH-OUT PRO-
22 GRAM.—For purposes of this subpara-
23 graph, the term ‘parking cash-out pro-
24 gram’ means a program established by the
25 employer under which—

1 “(I) the employer offers employ-
2 ees a cash allowance equal to the reg-
3 ular amount paid by the employer for
4 parking for a single employee under
5 clause (i) in lieu of the parking re-
6 ferred to in clause (i), and

7 “(II) any employee electing the
8 cash allowance shall certify to the em-
9 ployer that the employee will comply
10 with guidelines established by the em-
11 ployer to avoid neighborhood parking
12 problems and violation of such guide-
13 lines are enforced by the employer by
14 termination of eligibility of such em-
15 ployee for such cash allowance and
16 employer sponsored parking.”.

17 (b) **EFFECTIVE DATE.**—The amendments made by
18 this section shall apply to parking provided during cal-
19 endar years beginning after December 31, 2011.

20 **SEC. 5. VANPOOL INVESTMENT CREDIT.**

21 (a) **IN GENERAL.**—Subpart D of part IV of sub-
22 chapter A of chapter 1 of the Internal Revenue Code of
23 1986 is amended by adding at the end the following new
24 section:

1 **“SEC. 45S. QUALIFYING VANPOOL INVESTMENT CREDIT.**

2 “(a) GENERAL RULE.—For purposes of section 38,
3 the qualifying vanpool investment credit for any taxable
4 year is an amount equal to 10 percent of the basis of a
5 qualified commuter van placed in service by the taxpayer
6 during the taxable year.

7 “(b) QUALIFIED COMMUTER VAN.—For purposes of
8 this section, the term ‘qualified commuter van’ means a
9 vehicle—

10 “(1) the seating capacity of which is at least 7,
11 but not more than 15, adults (not including the driv-
12 er),

13 “(2) which has a 3-year class life,

14 “(3) at least 80 percent of the mileage use of
15 which can reasonably be expected to be for transpor-
16 tation described in section 132(f)(1)(A),

17 “(4) with respect to which depreciation (or am-
18 ortization in lieu of depreciation) is allowable, and

19 “(5) is originally placed in service by the tax-
20 payer before January 1, 2019.

21 “(c) LEASING EXCEPTION.—

22 “(1) IN GENERAL.—In the case of an employer
23 who enters into a lease with an unrelated person for
24 the provision of transportation described in section
25 132(f)(1)(A) and who makes an election under this
26 subsection for a taxable year (in such form and

1 manner as the Secretary may by regulation pre-
2 scribe), in lieu of the amount determined under sub-
3 section (a), the qualifying vanpool investment credit
4 with respect to the taxpayer for the taxable year
5 shall be an amount equal to 10 percent of the
6 amounts paid or incurred by the employer for the
7 taxable year pursuant to such lease for the provision
8 of such transportation.

9 “(2) RELATED PERSONS.—All persons treated
10 as a single employer under subsection (a) or (b) of
11 section 52 shall be treated as related persons for
12 purposes of this subsection.

13 “(3) TERMINATION.—This subsection shall not
14 apply to any amounts paid or incurred after Decem-
15 ber 31, 2014.

16 “(d) BASIS REDUCTION.—For purposes of this sub-
17 title, the basis of any property for which a credit is allow-
18 able under subsection (a) shall be reduced by the amount
19 of such credit.”.

20 (b) CREDIT TREATED AS PART OF GENERAL BUSI-
21 NESS CREDIT.—Section 38(b) of such Code is amended
22 by striking “plus” at the end of paragraph (35), by strik-
23 ing the period at the end of paragraph (36) and inserting
24 “, plus”, and by adding at the end of following new para-
25 graph:

1 “(37) the qualifying vanpool investment credit
2 determined under section 45S(a).”.

3 (c) CONFORMING AMENDMENT.—Subsection (a) of
4 section 1016 of such Code is amended by striking “and”
5 at the end of paragraph (36), by striking the period at
6 the end of paragraph (37) and inserting “, and”, and by
7 adding at the end the following new paragraph:

8 “(38) to the extent provided in section 45S(e),
9 in the case of amounts with respect to which a credit
10 has been allowed under section 45S.”

11 (d) CLERICAL AMENDMENT.—The table of sections
12 for subpart D of part IV of subchapter A of chapter 1
13 of such Code is amended by adding at the end the fol-
14 lowing new item:

 “Sec. 45S. Qualifying vanpool investment credit.”.

15 (e) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to property placed in service, and
17 amounts paid or incurred, after December 31, 2011.

18 **SEC. 6. EMPLOYEES MAY RECEIVE TRANSIT PASSES AND**
19 **REIMBURSEMENT OF BICYCLE COMMUTING**
20 **EXPENSES AS EXCLUDABLE FRINGE BENE-**
21 **FITS FOR THE SAME MONTH.**

22 (a) IN GENERAL.—Subclause (II) of section
23 132(f)(5)(F)(iii) of the Internal Revenue Code of 1986
24 (defining qualified bicycling month) is amended by strik-
25 ing “, (B),”.

1 (b) LIMITATION.—Subparagraph (A) of section
2 132(f)(2) of such Code (relating to limitation on exclu-
3 sions) is amended by striking “and (B)” and inserting “,
4 (B), and (D)”.

5 (c) REPEAL OF CONSTRUCTIVE RECEIPT TREAT-
6 MENT OF BICYCLE COMMUTING REIMBURSEMENTS.—
7 Paragraph (4) of section 132(f) of such Code is amended
8 by striking “(other than a qualified bicycle commuting re-
9 imbursement)”.

10 (d) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to taxable years beginning after
12 December 31, 2011.

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