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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

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A BILL

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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Commuter Parity Act of 2015''.

SEC. 2. QUALIFIED TRANSPORTATION FRINGE.

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

"(f) QUALIFIED TRANSPORTATION FRINGE.—

"(1) IN GENERAL.—For purposes of this section, the term 'qualified transportation fringe' means any of the following provided by an employer to an employee:

"(A) Transportation in a commuter highway vehicle if such transportation is in connection with travel between the employee's residence and place of employment.

"(B) Any transit pass.

"(C) Qualified parking.

"(D) Any qualified bicycle commuting reimbursement.

"(2) LIMITATION ON EXCLUSION.—The amount of the fringe benefits which are provided by an employer to any employee and which may be excluded from gross income under subsection (a)(5) shall not exceed—

"(A) $235 per month in the case of the aggregate of the benefits described in subparagraphs (A) and (B) of paragraph (1),

"(B) $235 per month in the case of qualified parking, and

"(C) $35 per month for qualified bicycle commuting reimbursement.

"(3) CASH REIMBURSEMENTS.—For purposes of this subsection, the term 'qualified transportation fringe' includes a cash reimbursement by an employer to an employee for a benefit described in paragraph (1). The preceding sentence shall apply to a cash reimbursement for any transit pass only if a voucher or similar item which may be exchanged only for a transit pass is not readily available for direct distribution by the employer to the employee.

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

"(5) DEFINITIONS.—For purposes of this subsection—

"(A) TRANSIT PASS.—The term 'transit pass' means any pass, token, farecard, voucher, or similar item entitling a person to transportation (or transportation at a reduced price) if such transportation is—

"(i) on mass transit facilities (whether or not publicly owned), or

"(ii) provided by any person in the business of transporting persons for compensation or hire if such transportation is provided in a vehicle meeting the requirements of subparagraph (B)(i).

"(B) COMMUTER HIGHWAY VEHICLE.—The term 'commuter highway vehicle' means any highway vehicle—

"(i) the seating capacity of which is at least 6 adults (not including the driver), and

"(ii) at least 80 percent of the mileage use of which can reasonably be expected to be—

"(I) for purposes of transporting employees in connection with travel between their residences and their place of employment, and

"(II) on trips during which the number of employees transported for such purposes is at least ½ of the adult seating capacity of such vehicle (not including the driver).

"(C) QUALIFIED PARKING.—The term 'qualified parking' means parking provided to

an employee on or near the business premises of the employer or on or near a location from which the employee commutes to work by transportation described in subparagraph (A), in a commuter highway vehicle, or by carpool. Such term shall not include any parking on or near property used by the employee for residential purposes.

"(D) TRANSPORTATION PROVIDED BY EMPLOYER.—Transportation referred to in paragraph (1)(A) shall be considered to be provided by an employer if such transportation is furnished in a commuter highway vehicle operated by or for the employer.

"(E) EMPLOYEE.—For purposes of this subsection, the term 'employee' includes an individual who is an employee within the meaning of section 401(c)(1).

"(F) QUALIFIED BICYCLE COMMUTING REIMBURSEMENT.—For the purposes of this subsection, the term 'qualified bicycle commuting reimbursement' means any employer reimbursement for reasonable expenses incurred by the employee for the purchase of a bicycle and bicycle improvements, repair, and storage, or

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

''(6) INFLATION ADJUSTMENT.—

''(A) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2016, the dollar amounts contained in paragraph (2) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 2015' for 'calendar year 1992'.

''(B) ROUNDING.—If any increase determined under subparagraph (A) is not a multiple of $5, such increase shall be rounded to the next lowest multiple of $5.

''(7) COORDINATION WITH OTHER PROVISIONS.—For purposes of this section, the terms 'working condition fringe' and 'de minimis fringe' shall not include any qualified transportation fringe (determined without regard to paragraph (2)).''.

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

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

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