

[DISCUSSION DRAFT]

JULY 6, 2009

111TH CONGRESS
1ST SESSION**H. R.** _____

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

IN THE HOUSE OF REPRESENTATIVES

Mr. BLUMENAUER introduced the following bill; which was referred to the Committee on _____

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 “Green Routes to Work 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. Clarification of federal employee benefits.
- Sec. 4. Eligibility of self-employed individuals to receive transit fringe benefits.
- Sec. 5. Parking cash-out programs.
- Sec. 6. Vanpool investment credit.
- Sec. 7. Refundable employer credit for providing tax-free transit passes to employees.
- Sec. 8. Expenditures to provide bicycle access.
- Sec. 9. Employees may receive transit passes and reimbursement of bicycle commuting expenses as excludable fringe benefits for the same month.
- Sec. 10. Deduction for expenditures to remove architectural and transportation barriers to bicycle access.
- Sec. 11. Credit for teleworking.

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
6 limitation on exclusion) is amended—

7 (1) by striking “\$100” in subparagraph (A)
8 and inserting “\$230”, and

9 (2) by striking “\$175” in subparagraph (B)
10 and inserting “\$230”.

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 “2010”,
17 and

18 (3) by striking “1998” and inserting “2009”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2009.

4 **SEC. 3. CLARIFICATION OF FEDERAL EMPLOYEE BENEFITS.**

5 Section 7905 of title 5, United States Code, is
6 amended—

7 (1) in subsection (a)—

8 (A) in paragraph (2)(C) by inserting
9 “and” after the semicolon;

10 (B) in paragraph (3) by striking “; and”
11 and inserting a period; and

12 (C) by striking paragraph (4); and

13 (2) in subsection (b)(2)(A) by amending
14 subparagraph (A) to read as follows:

15 “(A) qualified transportation fringe as
16 defined in section 132(f)(1) of the Internal
17 Revenue Code of 1986;”.

18 **SEC. 4. ELIGIBILITY OF SELF-EMPLOYED INDIVIDUALS TO**

19 **RECEIVE TRANSIT FRINGE BENEFITS.**

20 (a) IN GENERAL.—Subparagraph (E) of section
21 132(f)(5) is amended—

22 (1) by striking “For purposes of this
23 subsection, the term” and inserting the following:

24 “(i) IN GENERAL.—Except as
25 provided in clause (ii), the term”, and

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

3 “(ii) SELF-EMPLOYED INDIVIDUALS ELIGIBLE FOR
4 TRANSIT PASS FRINGE BENEFIT.—For purposes of
5 paragraph (1)(B), such term includes an individual who
6 is an employee within the meaning of section 401(c)(1).”.

7 (b) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 2009.

10 **SEC. 5. PARKING CASH-OUT PROGRAMS.**

11 (a) IN GENERAL.—Subparagraph (C) of section
12 132(f)(5) is amended—

13 (1) by striking “The term” and inserting the
14 following:

15 “(i) IN GENERAL.—The term”.

16 (2) by adding at the end of clause (i), as
17 amended by paragraph (1), the following: “Such
18 term shall not include any parking with respect to
19 any specified employer unless such employer
20 establishes a parking cash-out program.”, and

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

23 “(ii) SPECIFIED EMPLOYER.—For
24 purposes of this subparagraph, the term

1 ‘specified employer’ means any employer
2 who—

3 “(I) employs on average 50 or
4 more employees during the calendar
5 year,

6 “(II) leases the parking facilities
7 referred to in clause (i),

8 “(III) can separately determine
9 the amount paid per parking space
10 leased, and

11 “(IV) can reduce the number of
12 parking space leased (on a basis not
13 less frequently than monthly) without
14 penalty.

15 “(iii) PARKING CASH-OUT
16 PROGRAM.—For purposes of this
17 subparagraph, the term ‘parking cash-out
18 program’ means a program established by
19 the employer under which—

20 “(I) the employer offers
21 employees a cash allowance equal to
22 the regular amount paid by the
23 employer for parking for a single
24 employee under clause (i) in lieu of

1 the parking referred to in clause (i),
2 and

3 “(II) any employee electing the
4 cash allowance shall certify to the
5 employer that the employee will com-
6 ply with guidelines established by the
7 employer to avoid neighborhood
8 parking problems and violation of
9 such guidelines are enforced by the
10 employer by termination of eligibility
11 of such employee for such cash allow-
12 ance and employer sponsored
13 parking.”.

14 (b) **EFFECTIVE DATE.**—The amendments made by
15 this section shall apply to parking provided during
16 calendar years beginning after December 31, 2009.

17 **SEC. 6. VANPOOL INVESTMENT CREDIT.**

18 (a) **IN GENERAL.**—Subpart D of part IV of
19 subchapter A of chapter 1 of the Internal Revenue Code
20 of 1986 is amended by adding at the end the following
21 new section:

22 **“SEC. 45R. QUALIFYING VANPOOL INVESTMENT CREDIT.**

23 “(a) **GENERAL RULE.**—For purposes of section 38,
24 the qualifying vanpool investment credit for any taxable
25 year is an amount equal to 10 percent of the basis of a

1 qualified commuter van placed in service by the taxpayer
2 during the taxable year.

3 “(b) QUALIFIED VANPOOL EXPENDITURES.—For
4 purposes of this section, the term ‘qualified commuter van’
5 means a vehicle—

6 “(1) the seating capacity of which is at least 8,
7 but not more than 15, adults (not including the dri-
8 ver),

9 “(2) which has a 3-year useful life, **[NOTE:**
10 what does this mean? Aren’t vans 5-year property?]

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

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

16 “(5) is originally placed in service by the
17 taxpayer before January 1, 2013.

18 “(c) CONTRACTING FOR SERVICES EXCEPTION.—For
19 purposes of this section, contracting for qualified vanpool
20 services shall be considered the same as the purchase of
21 a qualified commuter vanpool so long as the requirements
22 set forth by subsection (b) are met. **[NOTE: I don’t see**
23 how this works? The taxpayer will have no basis with
24 respect to a contracted for vanpool service]

1 “(d) BASIS REDUCTION.—For purposes of this
2 subtitle, the basis of any property for which a credit is
3 allowable under subsection (a) shall be reduced by the
4 amount of such credit.”.

5 (b) CREDIT TREATED AS PART OF GENERAL
6 BUSINESS CREDIT.—Section 38(b) of such Code is
7 amended by striking “plus” at the end of paragraph (34),
8 by striking the period at the end of paragraph (35) and
9 inserting “, plus”, and by adding at the end of following
10 new paragraph:

11 “(36) the qualifying vanpool investment credit
12 determined under section 45R(a).”.

13 (c) CONFORMING AMENDMENT.—Subsection (a) of
14 section 1016 of such Code is amended by striking “and”
15 at the end of paragraph (36), by striking the period at
16 the end of paragraph (37) and inserting “, and”, and by
17 adding at the end the following new paragraph:

18 “(38) to the extent provided in section 45R(e),
19 in the case of amounts with respect to which a credit
20 has been allowed under section 45R.”

21 (d) CLERICAL AMENDMENT.—The table of sections
22 for subpart D of part IV of subchapter A of chapter 1of
23 such Code is amended by adding at the end the following
24 new item:

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

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to expenditures made after
3 December 31, 2009.

4 **SEC. 7. REFUNDABLE EMPLOYER CREDIT FOR PROVIDING**
5 **TAX-FREE TRANSIT PASSES TO EMPLOYEES.**

6 (a) IN GENERAL.—Subpart C of part IV of
7 subchapter A of chapter 1 of the Internal Revenue Code
8 of 1986 (relating to refundable credits) is amended by
9 inserting after section 36A the following new section:

10 **“SEC. 36B. EMPLOYERS PROVIDING TAX-FREE TRANSIT**
11 **PASSES TO EMPLOYEES.**

12 “(a) IN GENERAL.—In the case of an employer, there
13 shall be allowed as a credit against the tax imposed by
14 this subtitle for the taxable year an amount equal to 50
15 percent of the amount paid or incurred by the taxpayer
16 during the taxable year—

17 “(1) for transit passes provided to employees of
18 such employer, and

19 “(2) as cash reimbursements made to such
20 employees for transit passes purchased by such
21 employees.

22 “(b) LIMITATION TO TAX-FREE TRANSIT PASSES.—
23 Subsection (a) shall apply to a transit pass (or
24 reimbursement) provided to an employee only to the extent
25 that the employer reasonably expects that the value of

1 such pass (or the amount of such reimbursement) is
2 excludable from such employee's income under section
3 132.

4 “(c) EXCLUSION OF NONTAXPAYERS.—Subsection
5 (a) shall not apply to any employer which is exempt from
6 the tax imposed by this chapter with respect to the activity
7 in which the employee is performing services for the
8 employer.

9 “(d) DEFINITIONS.—Terms used in this section shall
10 have the respective meanings given such terms by section
11 132.”.

12 (b) DENIAL OF DOUBLE BENEFIT.—Section 280C of
13 such Code is amended by adding at the end the following
14 new subsection:

15 “(g) EMPLOYER CREDIT FOR PROVIDING TAX-FREE
16 TRANSIT PASSES TO EMPLOYEES.—No deduction shall be
17 allowed for that portion of the expenses (otherwise allow-
18 able as a deduction) taken into account in determining the
19 credit under section 36B for the taxable year which is
20 equal to the amount of the credit allowable for such
21 taxable year under section 36B(a).”.

22 (c) CLERICAL AMENDMENT.—The table of sections
23 for such subpart C is amended by inserting after the item
24 relating to section 36A the following new item:

“36B. Employers providing tax-free transit passes to employees.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to transit passes provided after the
3 date of the enactment of this Act.

4 **SEC. 8. EXPENDITURES TO PROVIDE BICYCLE ACCESS.**

5 (a) IN GENERAL.—Subpart D of part IV of
6 subchapter A of chapter 1 of the Internal Revenue Code
7 of 1986, as amended by this Act, is amended by adding
8 at the end the following new section:

9 **“SEC. 45S. EXPENDITURES TO PROVIDE BICYCLE ACCESS.**

10 “(a) IN GENERAL.—For purposes of section 38, the
11 amount of the bicycle access credit determined under this
12 section for any taxable year shall be an amount equal to
13 50 percent of so much of the eligible bicycle access
14 expenditures for the taxable year as exceed \$250 but do
15 not exceed \$10,250.

16 “(b) DEFINITIONS.—For purposes of this section—

17 “(1) ELIGIBLE BICYCLE ACCESS
18 EXPENDITURES.—

19 “(A) IN GENERAL.—The term ‘eligible
20 bicycle access expenditures’ means amounts
21 paid or incurred for the purpose of improving
22 access, security, or convenience with respect to
23 bicycle travel to and from a business of the
24 taxpayer.

1 “(B) EXPENDITURES MUST BE
2 REASONABLE.—Amounts paid or incurred for
3 the purposes described in subparagraph (A)
4 shall include only expenditures which are
5 reasonable and shall not include expenditures
6 which are unnecessary to accomplish such
7 purposes.

8 “(C) EXPENSES IN CONNECTION WITH
9 NEW CONSTRUCTION NOT ELIGIBLE.—The term
10 ‘eligible bicycle access expenditures’ shall not
11 include amounts which are paid or incurred in
12 connection with any facility first placed in
13 service after the date of the enactment of this
14 section.

15 “(2) ELIGIBLE SMALL BUSINESS.—For
16 purposes of this section, the term ‘eligible small
17 business’ shall have the meaning given such term by
18 section 44(b).

19 “(c) SPECIAL RULES.—Rules similar to the rules of
20 paragraphs (2), (3), (4), (6), and (7) of section 44(d) shall
21 apply for purposes of this section.

22 “(d) REGULATIONS.—The Secretary shall prescribe
23 regulations necessary to carry out the purposes of this
24 section.”.

25 (b) CONFORMING AMENDMENTS.—

1 (1) Subsection (b) of section 38 of such Code,
2 as amended by this Act, is amended by striking
3 “plus” at the end of paragraph (35), by striking the
4 period at the end of paragraph (36) and inserting “,
5 plus”, and by adding at the end the following new
6 paragraph:

7 “(37) the bicycle access credit determined
8 under section 45S(a).”.

9 (2) The table of sections for subpart D of part
10 IV of subchapter A of chapter 1 of such Code is
11 amended by adding at the end the following new
12 item:

“45S. Expenditures to provide bicycle access.”.

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to taxable years beginning after
15 the date of the enactment of this Act.

16 **SEC. 9. EMPLOYEES MAY RECEIVE TRANSIT PASSES AND**
17 **REIMBURSEMENT OF BICYCLE COMMUTING**
18 **EXPENSES AS EXCLUDABLE FRINGE**
19 **BENEFITS FOR THE SAME MONTH.**

20 (a) IN GENERAL.—Subclause (II) of section
21 132(f)(5)(F)(iii) of the Internal Revenue Code of 1986
22 (defining qualified bicycling month) is amended by
23 striking “, (B),”.

24 (b) LIMITATION.—Subparagraph (A) of section
25 132(f)(2) of such Code (relating to limitation on

1 exclusions) is amended by striking “and (B)” and
2 inserting “, (B), and (D)”.

3 (c) REPEAL OF CONSTRUCTIVE RECEIPT
4 TREATMENT OF BICYCLE COMMUTING
5 REIMBURSEMENTS.—Paragraph (4) of section 132(f) of
6 such Code is amended by striking “(other than a qualified
7 bicycle commuting reimbursement)”.

8 (d) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 **[December 31, 2008]**.

11 **SEC. 10. DEDUCTION FOR EXPENDITURES TO REMOVE AR-**
12 **CHITECTURAL AND TRANSPORTATION**
13 **BARRIERS TO BICYCLE ACCESS.**

14 (a) IN GENERAL.—Part VI of subchapter B of
15 chapter 1 of the Internal Revenue Code of 1986 is amend-
16 ed by inserting after section 190 the following new section:

17 **“SEC. 190A. EXPENDITURES TO REMOVE ARCHITECTURAL**
18 **AND TRANSPORTATION BARRIER TO BICYCLE**
19 **ACCESS.**

20 “(a) IN GENERAL.—A taxpayer may elect (at such
21 time and in such manner as the Secretary shall by
22 regulation prescribe) to treat architectural and transpor-
23 tation barrier removal expenses of the taxpayer for the
24 taxable year as expenses which are not chargeable to

1 capital account. The expenditures so treated shall be al-
2 lowed as a deduction.

3 “(b) ARCHITECTURAL AND TRANSPORTATION
4 BARRIER REMOVAL EXPENSES.—For purposes of this
5 section, the term ‘architectural and transportation barrier
6 removal expenses’ means amounts paid or incurred for the
7 purpose of making any facility or public transportation
8 vehicle owned or leased by the taxpayer for use in
9 connection with his trade or business more secure, acces-
10 sible to, and convenient for use by individuals traveling
11 by bicycle.

12 “(c) LIMITATION.—The deduction allowed by
13 subsection (a) for any taxable year shall not exceed
14 \$15,000.”.

15 (b) CONFORMING AMENDMENTS.—

16 (1) Paragraph (1) of section 263(a) of such
17 Code is amended by striking “or” at the end of
18 subparagraph (K), by striking the period at the end
19 of subparagraph (L) and inserting “, or”, and by
20 adding at the end the following new subparagraph:

21 “(M) expenditures for which a deduction is
22 allowed under section 190A.”.

23 (2) Section 1245(a)(2)(C) of such Code is
24 amended by inserting “190A,” after “190,”.

1 “(2) REDUCTION FOR TELEWORKING LESS
2 THAN FULL YEAR.—In the case of an individual who
3 is in a teleworking arrangement for less than a full
4 taxable year, the amount referred to paragraph (1)
5 shall be reduced by an amount which bears the same
6 ratio to \$400 as the number of months in which
7 such individual is not in a teleworking arrangement
8 bears to 12. For purposes of the preceding sentence,
9 an individual shall be treated as being in a
10 teleworking arrangement for a month if the
11 individual is subject to such arrangement for any
12 day of such month.

13 “(c) DEFINITIONS.—For purposes of this section—

14 “(1) ELIGIBLE TAXPAYER.—The term ‘eligible
15 taxpayer’ means—

16 “(A) in the case of an individual, an
17 individual who performs services for an
18 employer under a teleworking arrangement.

19 “(B) in the case of an employer, an
20 employer for whom employees perform services
21 under a teleworking arrangement.

22 “(2) TELEWORKING ARRANGEMENT.—The term
23 ‘teleworking arrangement’ means an arrangement
24 under which an employee teleworks for an employer
25 at least 1 day per week.

1 “(3) QUALIFIED TELEWORKING EXPENSES.—
2 The term ‘qualified teleworking expenses’ means
3 expenses paid or incurred under a teleworking ar-
4 rangement—

5 “(A) for purchase or installation of any
6 electronic information or telecommunication
7 equipment which is used to enable an individual
8 to telework, or

9 “(B) for any telecommunications service,
10 or Internet access (or related services), relating
11 to the use of such equipment.

12 “(4) TELEWORK.—The term ‘telework’ means
13 to perform work functions, using electronic
14 information and communication technologies,
15 thereby reducing or eliminating the physical com-
16 mute to and from the traditional worksite.

17 “(d) LIMITATION BASED ON AMOUNT OF TAX.—

18 “(1) LIABILITY FOR TAX.—The credit allowable
19 under subsection (a) for any taxable year shall not
20 exceed the excess (if any) of—

21 “(A) the regular tax for the taxable year,
22 reduced by the sum of the credits allowable
23 under subpart A and the preceding sections of
24 this subpart, over

1 “(B) the tentative minimum tax for the
2 taxable year.

3 “(2) CARRYFORWARD OF UNUSED CREDIT.—If
4 the amount of the credit allowable under subsection
5 (a) for any taxable year exceeds the limitation under
6 paragraph (1) for the taxable year, the excess shall
7 be carried to the succeeding taxable year and added
8 to the amount allowable as a credit under subsection
9 (a) for such succeeding taxable year.

10 “(e) SPECIAL RULES.—

11 “(1) BASIS REDUCTION.—For purposes of this
12 subtitle, the basis of any property for which a credit
13 is allowable under subsection (a) shall be reduced by
14 the amount of such credit (determined without
15 regard to subsection (d)).

16 “(2) RECAPTURE.—The Secretary shall, by
17 regulations, provide for recapturing the benefit of
18 any credit allowable under subsection (a) with
19 respect to any property which ceases to be property
20 eligible for such credit.

21 “(3) PROPERTY USED OUTSIDE UNITED
22 STATES, ETC., NOT QUALIFIED.—No credit shall be
23 allowed under subsection (a) with respect to any
24 property referred to in section 50(b) or with respect

1 to the portion of the cost of any property taken into
2 account under section 179.

3 “(4) ELECTION NOT TO TAKE CREDIT.—No
4 credit shall be allowed under subsection (a) for any
5 expense if the taxpayer elects to have this section
6 not apply with respect to such expense.

7 “(5) DENIAL OF DOUBLE BENEFIT.—No
8 deduction or credit (other than under this section)
9 shall be allowed under this chapter with respect to
10 any expense which is taken into account in
11 determining the credit under this section.

12 “(f) REPORTING REQUIREMENT.—

13 “(1) IN GENERAL.—In the case of an eligible
14 taxpayer who is an employer, no credit shall be al-
15 lowed under this section for qualified teleworking
16 expenses of the employer with respect to such
17 employer’s employees unless the taxpayer submits to
18 the Secretary (in such form and manner as the
19 Secretary may prescribe)—

20 “(A) the survey described in paragraph
21 (2), and

22 “(B) a detailed description of the
23 teleworking policies of the employer, including a
24 description of—

1 “(i) which employees of the employer
2 are eligible to telework,

3 “(ii) any employer goals relating to
4 teleworking, and any progress with respect
5 to such goals, and

6 “(iii) any materials or resources of the
7 employer intended to promote or enable
8 teleworking.

9 “(2) CALL FOR TELEWORK DATA SURVEY.—
10 The Secretary shall, in consultation with the Office
11 of Personnel Management, establish, make publicly
12 available to taxpayers, and update as appropriate, a
13 survey designed to track teleworking trends among
14 employers allowed credits under this section.

15 “(3) REPORT TO CONGRESS.—Not later than
16 October 15 of each calendar year, the Secretary
17 shall submit to the Congress, and make publicly
18 available on the Internet and at the offices of the In-
19 ternal Revenue Service, a report, which shall include
20 a summary of the information contained in the
21 submissions under paragraph (1) for taxable years
22 ending in the previous calendar year.”.

23 (b) CONFORMING AMENDMENT.—Subsection (a) of
24 section 1016 of such Code, as amended by this Act, is
25 amended by striking “and” at the end of paragraph (37),

1 by striking the period at the end of paragraph (38) and
2 inserting “, and”, and by adding at the end the following
3 new paragraph:

4 “(39) to the extent provided in section 30E(e),
5 in the case of amounts with respect to which a credit
6 has been allowed under section 30E.”

7 (c) CLERICAL AMENDMENT.—The table of sections
8 for subpart B of part IV of subchapter A of chapter 1
9 of such Code is amended by adding at the end the
10 following new item:

 “Sec. 30E. Telework credit”

11 (d) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to amounts paid or incurred after
13 December 31, 2009.