



H.R. xxxx, Green Routes to Work

Congressman Earl Blumenauer ■ Third District of Oregon ■ www.blumenauer.house.gov

The Challenge

With rising gas prices, increasing congestion, and a desire for lifestyles that are easier on the environment and better for their personal health, Americans are looking for new ways of getting from place to place. The Center for Neighborhood Technology estimates that, on average, 27% of a family's income goes towards transportation costs: encouraging cheaper, greener and more active commuting practices helps families save money, time and burn calories instead of fossil fuels!

What this Legislation Would Do

This legislation would implement a series of tax incentives for individuals and employers to make it easier for commuters who wish to commute to work by bicycle, walking, carpooling, or using public transit. Specifically, the bill contains the following provisions:

- *Section 2 Transit Equity*: Increases the uniform dollar cap for all transportation fringe benefits to \$230 a month
- *Section 3 Clarification of Federal Employee Benefits*: Encourages the federal government to lead by example by ensuring that federal transportation fringe benefits are available to federal employees
- *Sec. 4 Self Employed Extension of Transportation Fringe Benefits*: Allows individuals who are self-employed to receive transit fringe benefits for commuting done for work purposes
- *Sec. 5 Parking Cashout*: Requires employers who offer a parking transportation fringe benefit to employees to also offer employees the option to take cash instead, reducing the incentive to drive instead of take alternative transportation.
- *Sec. 6 VanPool Credit*: Creates a 10% tax credit for expenditures on vanpool vehicles and services, which will provide an incentive for employers and employees to share their commutes.
- *Sec. 7 Employer Credit for Providing Tax-free Transit Passes to Employees*: Gives employers an up to 10% tax credit for the money they provide to employees as part of the transportation fringe benefits program.
- *Sec. 8 Expenditures to Provide Bicycle Access*: Encourages small businesses to provide for the growing interest in bicycle commuting by providing companies with a tax credit worth up to 50% of any expenditures used to make their business bike accessible.
- *Sec. 9 MultiModal Transportation*: Allows individuals to combine their transportation fringe benefits as long as they fall under the \$230 cap (for example, individuals can use the \$40 bike credit and still collect up to \$210 of their public transit fringe benefit). This section recognizes that people rarely use one type of transportation only to commute: they use a combination of modes depending on the weather, their needs for the day and other factors. It also increases the amount which individuals can receive under the bike commuter benefit to \$40.



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- *Sec. 10 Deductions for Expenditures to Remove Barriers to Bicycle Access:* Allows individuals and business owners to deduct the costs of bicycle access improvements.
- *Sec. 11 Teleworking Tax Credit:* Creates a tax credit for qualified teleworking expenses for employers and employees (up to \$400 per individual teleworker). Four to six million workers currently telecommute at least once a week, saving an estimated 840 million gallons of fuel.