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FROM THE OFFICE OF STATE REPRESENTATIVE SARA FEIGENHOLTZ

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Feigenholtz Introduces Bill to Expand Pre-tax Transit Benefits

Employers save eight percent on social security and unemployment tax while encouraging pre-tax ridership

CHICAGO – State Rep. Sara Feigenholtz, D-Chicago, introduced legislation last week to expand access for transit programs statewide, saving both employers and taxpayers money in the process. House Bill 1383, known as the Transportation Benefits Program Act, would require companies to allow employees to deduct commuting costs from their pay before taxes, reducing the tax burden on business owners and employees alike.

“The pre-tax Transit Benefit Program is truly a win-win for all involved,” said Feigenholtz, “To defray the cost and encourage the use of public transportation, the Federal government offers this benefit, but many commuters are unaware it.”

In a transportation benefits program, employees deduct the cost of their transit passes from their monthly income, reducing pre-tax earnings and saving up to 40% in federal and state contributions. Employers save on reduced payroll taxes as well. Under the Federal Insurance Contributions Act, employers are responsible for half of the 15.3% earned income contribution to Social Security and Medicare. With a transportation benefits program, companies save nearly 8% of transit costs. For example, if employees buy \$100 monthly Chicago Transit Authority (CTA) passes through this system, the employer will save \$96 per year, per employee.

“We should engage in any money saving opportunities on commuting costs for transit riders”, said Feigenholtz. “The more people that use public transit, the better,” she added.

Transit benefit programs are offered through the Regional Transportation Authority, in partnership with the CTA, Metra, Pace, Amtrak, Chicago Water Taxi, and the South Shore Line. Calculate your transportation benefit by going to <http://mytransitbenefit.com/index.php/employees/benefits.html>.

For more information on this or other legislation, please contact Rep. Feigenholtz's constituent service office at 773-296-4141, email sara@staterepsara.com, or visit www.staterepsara.com.

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