

**AMENDMENT TO THE SENATE AMENDMENT TO
H.R. 22
OFFERED BY MR. SEAN PATRICK MALONEY OF
NEW YORK**

Page 935, after line 13, insert the following:

1 **TITLE LIII—QUALIFIED**
2 **TRANSPORTATION FRINGE**

3 **SEC. 52401. QUALIFIED TRANSPORTATION FRINGE.**

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

7 “(f) QUALIFIED TRANSPORTATION FRINGE.—

8 “(1) IN GENERAL.—For purposes of this sec-
9 tion, the term ‘qualified transportation fringe’ means
10 any of the following provided by an employer to an
11 employee:

12 “(A) Transportation in a commuter high-
13 way vehicle if such transportation is in connec-
14 tion with travel between the employee’s resi-
15 dence and place of employment.

16 “(B) Any transit pass.

17 “(C) Qualified parking.

1 “(D) Any qualified bicycle commuting re-
2 imbursement.

3 “(2) LIMITATION ON EXCLUSION.—The amount
4 of the fringe benefits which are provided by an em-
5 ployer to any employee and which may be excluded
6 from gross income under subsection (a)(5) shall not
7 exceed—

8 “(A) \$235 per month in the case of the ag-
9 gregate of the benefits described in subpara-
10 graphs (A) and (B) of paragraph (1),

11 “(B) \$235 per month in the case of quali-
12 fied parking, and

13 “(C) \$35 per month for qualified bicycle
14 commuting reimbursement.

15 “(3) CASH REIMBURSEMENTS.—For purposes
16 of this subsection, the term ‘qualified transportation
17 fringe’ includes a cash reimbursement by an em-
18 ployer to an employee for a benefit described in
19 paragraph (1). The preceding sentence shall apply to
20 a cash reimbursement for any transit pass only if a
21 voucher or similar item which may be exchanged
22 only for a transit pass is not readily available for di-
23 rect distribution by the employer to the employee.

24 “(4) NO CONSTRUCTIVE RECEIPT.—No amount
25 shall be included in the gross income of an employee

1 solely because the employee may choose between any
2 qualified transportation fringe and compensation
3 which would otherwise be includible in gross income
4 of such employee.

5 “(5) DEFINITIONS.—For purposes of this sub-
6 section—

7 “(A) TRANSIT PASS.—The term ‘transit
8 pass’ means any pass, token, farecard, voucher,
9 or similar item entitling a person to transpor-
10 tation (or transportation at a reduced price) if
11 such transportation is—

12 “(i) on mass transit facilities (whether
13 or not publicly owned), or

14 “(ii) provided by any person in the
15 business of transporting persons for com-
16 pensation or hire if such transportation is
17 provided in a vehicle meeting the require-
18 ments of subparagraph (B)(i).

19 “(B) COMMUTER HIGHWAY VEHICLE.—
20 The term ‘commuter highway vehicle’ means
21 any highway vehicle—

22 “(i) the seating capacity of which is at
23 least 6 adults (not including the driver),
24 and

1 “(ii) at least 80 percent of the mileage
2 use of which can reasonably be expected to
3 be—

4 “(I) for purposes of transporting
5 employees in connection with travel
6 between their residences and their
7 place of employment, and

8 “(II) on trips during which the
9 number of employees transported for
10 such purposes is at least ½ of the
11 adult seating capacity of such vehicle
12 (not including the driver).

13 “(C) QUALIFIED PARKING.—The term
14 ‘qualified parking’ means parking provided to
15 an employee on or near the business premises
16 of the employer or on or near a location from
17 which the employee commutes to work by trans-
18 portation described in subparagraph (A), in a
19 commuter highway vehicle, or by carpool. Such
20 term shall not include any parking on or near
21 property used by the employee for residential
22 purposes.

23 “(D) TRANSPORTATION PROVIDED BY EM-
24 PLOYER.—Transportation referred to in para-
25 graph (1)(A) shall be considered to be provided

1 by an employer if such transportation is fur-
2 nished in a commuter highway vehicle operated
3 by or for the employer.

4 “(E) EMPLOYEE.—For purposes of this
5 subsection, the term ‘employee’ includes an in-
6 dividual who is an employee within the meaning
7 of section 401(c)(1).

8 “(F) QUALIFIED BICYCLE COMMUTING RE-
9 IMBURSEMENT.—For the purposes of this sub-
10 section, the term ‘qualified bicycle commuting
11 reimbursement’ means any employer reimburse-
12 ment for reasonable expenses incurred by the
13 employee for the purchase of a bicycle and bicy-
14 cle improvements, repair, and storage, or
15 bikesharing program, if such bicycle is regularly
16 used for travel between the employee’s residence
17 and place of employment.

18 “(6) INFLATION ADJUSTMENT.—

19 “(A) IN GENERAL.—In the case of any
20 taxable year beginning in a calendar year after
21 2016, the dollar amounts contained in para-
22 graph (2) shall be increased by an amount
23 equal to—

24 “(i) such dollar amount, multiplied by

1 “(ii) the cost-of-living adjustment de-
2 termined under section 1(f)(3) for the cal-
3 endar year in which the taxable year be-
4 gins, by substituting ‘calendar year 2015’
5 for ‘calendar year 1992’.

6 “(B) ROUNDING.—If any increase deter-
7 mined under subparagraph (A) is not a multiple
8 of \$5, such increase shall be rounded to the
9 next lowest multiple of \$5.

10 “(7) COORDINATION WITH OTHER PROVI-
11 SIONS.—For purposes of this section, the terms
12 ‘working condition fringe’ and ‘de minimis fringe’
13 shall not include any qualified transportation fringe
14 (determined without regard to paragraph (2)).”.

15 (b) CONFORMING AMENDMENTS.—Sections
16 403(b)(3)(B), 414(s)(2), 415(c)(3)(D)(ii) of such Code
17 are each amended by striking “132(f)(4),”.

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

