

Commuter Tax Benefits: Transportation Management Associations



COLLABORATING TO PUT IT TOGETHER

A transit pass may not be enough to assure employees of reliable transportation. A key service that encourages employees to take transit or carpool/vanpool is a guaranteed ride home in case of personal emergency or the need to work late. Employers can provide this individually through guaranteed taxi, ridesharing, or company pool cars or in combination with other nearby employers.

For this and other reasons, employers in over 200 communities in the US have joined together or with public agencies to set up commuter programs in order to help their employees find reliable transportation, to provide competitive benefits, to encourage healthy commuting, or to meet local ordinances to reduce traffic in a given area. When employers band together to provide supportive programs on their own or through a public agency (local or regional planning organization or transportation agency) it is usually called a transportation management association, or TMA. Many of the employer expenses are

deductible business expenses and become important employee benefits that, depending on the region, can also provide the employer with air quality credits, and satisfy local zoning codes. Duke Energy is one employer that established an employer-paid transit benefit to reduce ozone related emissions, and continues it seven years later because of the positive effect on employee morale, including positive staff retention.

Like the transportation tax benefit, TMAs vary considerably in their scope and services. Some common services offered by TMAs include: carpool matching service; provision of vehicles and/or fuel for vanpools; guaranteed ride home in case of personal illness, emergency, or need to work late; carpool and carshare parking; subsidized transit service through the local transit agency; and flexible work times. Employers also are providing bicycle facilities and showers and supporting ridesharing programs run by regional transportation organizations. Many TMAs encourage active commuting for health benefits

Photo Credit: Abby Hattie, Capital Area Transit, Baton Rouge, LA



such as competitions for biking to work and sponsor information programs about how to leave your car at home.

Successful TMAs include hospital complexes in such places as Cincinnati, St. Louis, and New Haven, where administrators find that the commuter benefits make for more reliable employees and have reduced the amount and cost of providing employee parking. Cincinnati Children's Hospital recently teamed up with the local transit operator to provide a pre-tax transit benefit and market transit service and found that the cost to them was about the same as the cost of constructing one parking space. In St. Louis, two hospitals banded together in 2006 to provide transportation services that over half of employees use. These range from the tax benefit, hospital-

provided shuttles to rail stations in the area, and an attractive transit center.

Several hotel associations have developed programs as a service to member hotels. In Charlotte NC, for example, the hotel association buys monthly discounted bus passes and distributes them to hotels for allocation to hotel staff. Over 500 service workers have seized the opportunity for help with their commute. The Georgetown Business Improvement District (Washington DC) has subsidized bus service connecting the area to rail stations at varying rates over more than a decade. The BID pays for a full time staff person to promote transit among member employees and advocate for transportation improvements including traffic and streetscape.

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