



DC residents deserve fair commuter benefits

Many DC workers enjoy free (or subsidized) parking benefits from their employer, which makes it cheaper to drive to work...

The unbalanced incentive of only providing free parking pushes employees to drive alone. Given balanced commuter benefit options, many commuters choose other ways to travel.

...But what about workers who commute by transit, walking, or biking? Parking doesn't help them. Today, these employees lose out.

Even in the instances that private-sector employers DO offer commuter benefits other than parking, those benefits are usually capped at far less than the value of a free parking space.



image/Kevin Kovaleski for DDOT/Flickr

Even worse, statistics show it's particularly unfair to DC residents. Compared to Maryland and Virginia residents commuting into DC, DC residents are 1.6 times more likely to commute by transit, carpool, walking, or biking.

Only 34% of DC residents report commuting by driving alone.

In fact, one-third of DC households don't own a car, removing even the option of taking advantage of subsidized employee parking.

Fairer, more flexible benefit options, no matter how you commute

The **Transportation Benefits Equity Act** would mandate that if a DC employer provides a subsidized parking benefit, it must also offer a subsidy of the same value to employees who don't commute by car.

Specifically, where employers provide parking benefits, they would also have to offer:

- **Employer-paid transit benefit.** If the transit benefit is less than the value of the parking benefit, then the employee receives the balance in taxable cash up to the value of the parking benefit.

- **Employer-paid, tax-free bicycle commuting benefit** up to the federally-allowable \$20/month expense reimbursement, plus taxable cash up to the value of the parking benefit.
- **Taxable cash for employees walking to work,** equal to the value of the parking benefit.

In short, the law would prohibit DC employers from discriminating against non-drivers in the commuter benefits they offer.

Fairness for DC commuters. More choices for everyone.

Ultimately, the **Transportation Benefits Equity Act** benefits everyone:

- Employees who choose to drive and park at work can keep doing so without penalty, or interruption.
- Employees who choose to instead commute by transit, bicycling, or walking take home more income.
- The law is **revenue positive to government** since some employees who would otherwise have taken the parking subsidy will switch to an alternative benefit that includes taxable cash.

Employers keep their discretion for commuter benefits costs

Employers would keep the discretion they have today to make choices about the parking benefits they offer to their employees or to make changes to such benefits at any time.

New taxable cash employee benefits would be paid for by reduced parking costs. Taxable cash benefits incur a small payroll tax cost, but this can be equalized by slightly reducing the employer subsidy to parking.

Employers might even reduce costs if they choose to change their current parking-only benefit to a broader all-modes benefit but at a somewhat lower dollar amount than the cost of parking.

The timing of the law lets employers shed unneeded parking (through a new lease with less parking, sub-letting unused parking spaces, or selling spaces), and thus to recoup costs for spaces that employees who accept the alternative benefits in lieu of parking they no longer need.

The IRS already has procedures for establishing the value of parking benefits, which is needed to determine the appropriate value of equivalent benefits for transit, biking, and walking commuting.

Less traffic. Cleaner air.

Employers that have voluntarily tested this strategy in other places across the country have found it to:

- **Decrease the number of drive-alone commute trips.** Studies elsewhere show a 10-12% decrease in drive-alone commute trips and related vehicle miles traveled, which would have an even greater reduction on peak period congestion.
- **Reduce traffic, improve air quality, decrease greenhouse gas emissions, and reduce traffic collisions** by reducing vehicle-miles traveled.

Let's make it happen.

DC began to address commuter benefits discrimination by enacting the Sustainable DC Omnibus Act of 2014.

That law has a provision requiring employers with 20 or more employees to offer pre-tax transit benefits -- meaning employees get the option to set aside a portion of their own wages pre-tax to pay for their transit commute.

But the **Transportation Benefits Equity Act** of 2017 would fully end commuter benefits discrimination in DC.



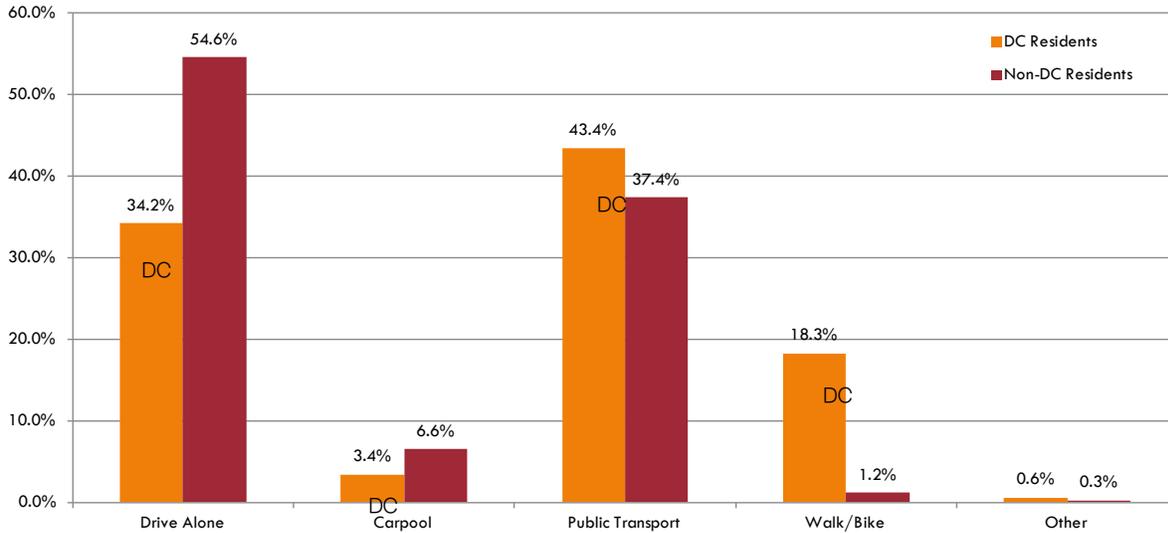
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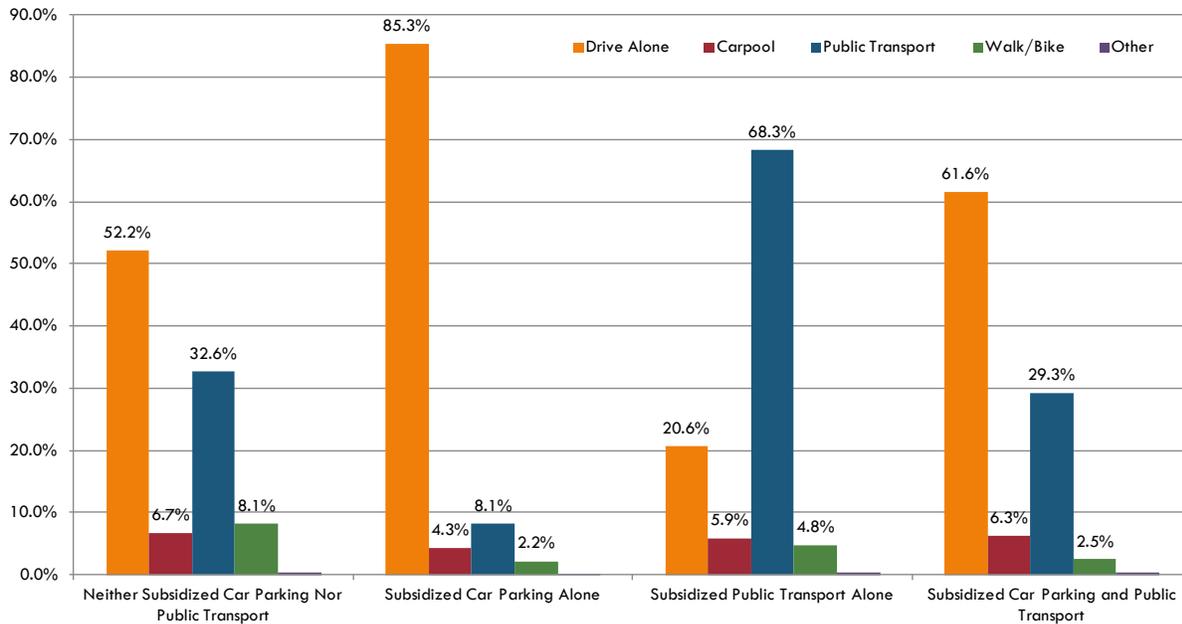
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Commute mode by residence (DC region)



Source: Calculations by Andrea Hamre, Virginia Tech University, using the 2007/2008 DC Household Travel Survey Sample: 987 **DC residents** and 2,324 **non-DC residents** working in Washington, DC with reported commute mode (excludes those who worked at home); Regional sample weights applied

Commute mode & commuter benefit category for all DC commuters



Source: Calculations by Andrea Hamre, Virginia Tech University, using the 2007/2008 DC Household Travel Survey Sample: 3,238 commuters working in Washington, DC with a reported commute mode and commuter benefits (excludes those who worked at home); Regional sample weights applied

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