



<i>Tab</i>	<i>Action</i>	<i>Option</i>	<i>Version</i>
38	1	A	1

The Internal Revenue Code Section 132(f) authorizes pre-tax commuter programs, which allows employers to offer a tax-free transit subsidy up to \$255 per employee per month for buses, light rail, ferry, water taxi, and vanpool. This program allows employers to save up to 9% on that spending in payroll taxes, and employees save between 25% and 40% on their commute expenses.

Pre-Tax Transit Benefits are a generally cost-neutral (and often revenue-positive) way for businesses to reduce the burden of commuting for their employees. These benefits also encourage transit use, which helps reduce traffic congestion and greenhouse gas emissions. However, many businesses do not take advantage of this program due to perceived complexities in establishing and administering this program.

This green sheet provides funding for SDOT to contract for outreach and education services from organizations such as Commute Seattle. This green sheet anticipates the contract would support at least two staff members for this work.

This green sheet assumes reductions in Commercial Parking Tax spending as described in GS 37-1-A-1. If GS 37-1-A-1 is not approved, an alternate source of funding would need to be identified.

<i>Tab</i>	<i>Action</i>	<i>Option</i>	<i>Version</i>
38	1	A	1

**Budget Action Transactions**

**Budget Action Title:** Add \$200,000 to SDOT for Pre-Tax Transit Benefit Program education and outreach

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
1	Add \$200,000 for Pre-Tax Commute Benefit outreach and assistance				SDOT	Mobility-Operations	17003	10310	2018		\$200,000
2	Use of Commercial Parking Tax				SDOT	Commercial Parking Tax	416310	10310	2018	\$200,000	