

April 10, 2015

The Honorable Orrin Hatch
Chairman, Committee on Finance
United States Senate
Washington, D.C. 20510

The Honorable Ron Wyden
Ranking Member, Committee of Finance
United States Senate
Washington, D.C. 20510

Dear Senator Hatch and Senator Wyden:

Edenred Commuter Benefit Solutions is pleased to respond to the Committee's request for comments on draft tax legislation. We are the nation's only comprehensive commuter benefit solutions provider and number one resource for commuter savings. Since 1985, Edenred has served tens of thousands of companies, top third party benefit administrators and the nation's largest metropolitan area transit authorities.

Tax-free commuter benefits play a critical role in reducing the tax burden of the hard working American families in addition to encouraging transit usage, reducing congestion and its impact on the environment. As such, they have become a staple in employee benefits packages nationwide.

We are asking that you continue to recognize the value of the commuter benefit to employers, large and small, especially the transit portion. As you consider tax reform, we believe that parity should be restored on a permanent basis between the transit portion and the parking portion of the federal pre-tax commuter benefit. Failure to address this issue at the end of 2013 led to an almost 50 percent reduction in the transit commuter benefit in 2014 to \$130 per month from its previous level of \$240 per month. Meanwhile, the parking benefit increased from \$240 per month to \$250 per month due to a cost of living increase. Retroactive action at the end of 2014 did not help the majority of commuters and the benefit reverted to the same inequitable situation for 2015.

The decrease in the transit portion of the commuter benefit results in an increased tax burden for workers that rely on public transportation for their daily commutes. In addition, this added cost, combined with rising fuel costs and transit fares, makes it difficult for workers to continue to afford their commute to work. For example, a working family that takes advantage of the full allowable monthly pre-tax deduction for transit in 2015 will pay as much as \$500 more this year in federal taxes. This is a significant cost increase that many commuters simply cannot afford in this economy.

Furthermore, the disparity between the monthly transit limit and the parking limit means an increase in payroll taxes for many businesses that offer the benefit – important resources that could be reinvested in the economy to create new jobs. The disparity amounts to a policy that encourages commuters to drive to work, rather than use public transportation. For many, driving is not an option, or an expensive one when factoring distances travelled, fuel costs, tolls, parking and wear and tear on their automobile. This results in increased traffic congestion on our roads, a rise in our nation's reliance on fossil fuel, and a rise in greenhouse gas emissions.

We believe the value and effectiveness of the transit benefit should continue to be recognized in any tax reform proposal. However, the current law, which unfairly affects commuters who use, and employers who offer mass transit benefits compared to commuters who drive and park should be changed to allow for parity between the two benefits.

Most importantly, Congress has the unique opportunity to institute this sound transportation policy at no additional cost to the American taxpayers. We strongly urge you to look include language that has previously been offered by Senator Schumer (D-NY) which would restore parity.

It is important that Congress address this inequitable tax provision in order to restore a common-sense policy that equalizes commuter benefits for middle class working families. It establishes a permanent and sensible Federal commuter benefit tax policy without adding any additional costs.

Thank you for your consideration.



Meltem Korkmazel
Chief Operating Officer