

Friday, October 03, 2008

By Yokota Fritz

President Bush signed the **Bicycle Commuter Benefits Act** into law today.

Congressman Blumenauer of Oregon included a bike commuter benefit provision in HR1424, the \$700 billion Wall Street bailout package that passed the house today and was signed by President Bush shortly afterward.

"We are delighted that the bicycle commuter benefits act has passed after a lengthy and persistent campaign spearheaded by Congressman Blumenauer (D-OR)," said League of American Bicyclists President Andy Clarke. "Bicycle commuters will now be extended similar benefits to people who take transit and drive to work – it's an equitable and sensible incentive to encourage greater energy independence, improve air quality and health, and even help tackle climate change. Thanks to everyone who has helped reach this milestone, especially Walter Finch and Mele Williams, our government relations staff over the years who have worked tirelessly with Congressman Blumenauer, Senator Ron Wyden (D-OR) and many others in Congress."

The benefit -- up to \$20 per month -- begins with the new year in 2009. Employers may reimburse employees, tax free, for "reasonable" expenses related to their bike commute, including equipment purchases, bike purchases, repairs, and storage if the bicycle is used as a "substantial part" of the commuter's trip to work for the month. If you already receive another commuter tax-free fringe benefit (like a Commuter Check or EcoPass), you don't qualify, so multimodal commuters are out of luck.

SEC. 211. TRANSPORTATION FRINGE BENEFIT TO BICYCLE COMMUTERS.

(a) In General- Paragraph (1) of section 132(f) is amended by adding at the end the following: '(D) Any qualified bicycle commuting reimbursement.'

(b) Limitation on Exclusion- Paragraph (2) of section 132(f) is amended by striking 'and' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ', and', and by adding at the end the following new subparagraph: '(C) the applicable annual limitation in the case of any qualified bicycle commuting reimbursement.'

(c) Definitions- Paragraph (5) of section 132(f) is amended by adding at the end the following:

'(F) DEFINITIONS RELATED TO BICYCLE COMMUTING REIMBURSEMENT-

'(i) QUALIFIED BICYCLE COMMUTING REIMBURSEMENT- The term 'qualified bicycle commuting reimbursement' means, with respect to any calendar year, any employer reimbursement during the 15-month period beginning with the first day of such calendar year for reasonable expenses incurred by the employee during such calendar year for the purchase of a bicycle and bicycle improvements, repair, and storage, if such bicycle is regularly used for travel between the employee's residence and place of employment.

'(ii) APPLICABLE ANNUAL LIMITATION- The term 'applicable annual limitation' means, with respect to any employee for any calendar year, the product of \$20 multiplied by the number of qualified bicycle commuting months during such year.

'(iii) QUALIFIED BICYCLE COMMUTING MONTH- The term 'qualified bicycle commuting month' means, with respect to any employee, any month during which such employee--

'(I) regularly uses the bicycle for a substantial portion of the travel between the employee's residence and place of employment, and
'(II) does not receive any benefit described in subparagraph (A), (B), or (C) of paragraph (1).'

(d) Constructive Receipt of Benefit- Paragraph (4) of section 132(f) is amended by inserting '(other than a qualified bicycle commuting reimbursement)' after 'qualified transportation fringe'.

(e) Effective Date- The amendments made by this section shall apply to taxable years beginning after December 31, 2008.