



# EMPLOYER-PROVIDED TRANSPORTATION FRINGE BENEFITS

## TAX INFORMATION RESOURCES

Internal Revenue Service | (800) 829-4933 | [www.irs.gov](http://www.irs.gov)  
 Oregon Department of Revenue | (800) 356-4222 | [www.oregon.gov/dor](http://www.oregon.gov/dor)  
 Oregon Department of Energy | (800) 221-8035 | [www.oregon.gov/energy](http://www.oregon.gov/energy)  
 Washington Department of Revenue | (800) 647-7706 [www.dor.wa.gov](http://www.dor.wa.gov)

## EMPLOYER BENEFITS

An employer can benefit in the following ways by offering transportation fringe benefits:

- Reduce employee absenteeism.
- Reduce employee turnover.
- Support recruiting and retention goals.
- Reduce payroll taxes.
- Reduce large expenses associated with parking.
- Qualify for up to **35%** in Business Energy Tax Credit (BETC) – State of Oregon only.

## EMPLOYEE BENEFITS

Employees view transportation fringe benefits extremely favorably and can benefit in the following ways:

- Lower employee commute-related stress.
- Provide additional choices to employees.
- Heighten employee appreciation of employer.
- Help make benefits plans more employee friendly and environmentally friendly.
- Reduce transportation costs.
- Reduce income and social security taxes.

OPTION	EMPLOYER TAX BENEFIT	EMPLOYEE TAX BENEFIT
Employers provide up to <b>\$230/month</b> to commute via transit, vanpool, carpool or bike.	Employer saves payroll taxes ( <b>9%</b> ) compared to offering taxable salary.	Employee receives up to <b>\$230/month</b> tax-free. The employee does not pay any taxes on the value of the fringe benefit.
Employers allow employees to use pre-tax income to pay for transit, vanpool, carpool or bike.	Employer saves on payroll taxes ( <b>9%</b> ). No payroll taxes are paid by the employee on the income that is reserved.	Employee saves on income tax and payroll taxes. The amount of income reserved (up to <b>\$230/month</b> ) is no longer treated as taxable salary.

