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**TRANSITCENTER APPLAUDS SENATE, HOUSE APPROVAL, EXTENDING
MONTHLY \$230 PRETAX TRANSIT CAP**

**More than 850,000 Commuters Can Continue to Save on the Cost of Using Transit to Get
to Work – Up to \$1,000 Annually**

New York, December 17, 2010 – The tax bill passed last night by the House of Representatives and the U.S. Senate, is slated to extend the current monthly transit benefit cap of \$230 into 2011, according to TransitCenter, Inc., a nonprofit provider of commuter benefit programs that promotes mass transit to improve air quality.

The Federal provision, enacted in 2009 in the stimulus bill, nearly doubled the maximum pretax deduction that workers could apply toward monthly commuting costs from \$120/month up to \$230/month. This lowered the net cost to get to work for many employees participating in a commuter benefits program and created parity with monthly pretax deductions allowable for parking. The increase in the transit benefit cap to \$230/month was set to expire at the end of 2010 and return to its previous level of \$120 per month.

The drop in the benefit cap would have resulted in an increase in the cost of commuting of up to 22 percent (assuming a tax rate at the national average of 31.6 percent), according to a report, commissioned by TransitCenter and conducted by management consulting firm Bennett Midland. In turn, this would have led to an estimated five to nine percent drop in demand for public transportation among this group – a figure based on Bennett Midland's analysis of previous studies on the impact of price on transit usage (price elasticity). These studies show that for every ten percent increase in price there is roughly a corresponding three to five percent decrease in ridership.

"With over a third of companies across the country offering the benefit, accounting for 52% of employees, the extension is a clear indication that the transit commuter benefit offers real savings to commuters and employers nationwide," said Daniel M. Neuburger, President and CEO of TransitCenter, Inc. "As an effective means of rewarding commuters who make the environmentally sound choice of taking public transportation to work, the goal now is to look beyond 2011 and make the new transit cap and parity with parking benefits a permanent fixture of Internal Revenue Code Section 132(f) which governs commuter tax benefits."



TransitCenter applauds the efforts of those who supported the extension of the \$230 transit benefit cap, including Senator Charles Schumer (D-NY), Representative Jim McGovern (D-MA), Representative Earl Blumenauer (D-OR) and others.

About TransitCenter

TransitCenter (www.transitcenter.com) is a nonprofit organization whose mission is to advocate for greater use of mass transit in order to reduce traffic congestion and improve air quality. TransitCenter engages in a wide variety of activities in support of transit. We are a pioneer and a leading national provider of tax-free commuter benefits through our TransitChek[®] programs. Through education and awareness activities, we also promote the essential benefits of transit, foremost among them making communities better places – and more sustainable places – to work and live.

About Bennett Midland

Bennett Midland LLC (www.bennettmidland.com) is a management consulting firm. They work in the civic sector, with public agencies, not-for-profits, and foundations to solve operational problems, conduct original research, and assist with the development and implementation of new programs.