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Contact: Brandy Heilman (717) 620-2344 Pat Wood (717) 236-3700

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IRS hikes 2008 commuter benefit tax incentive

York, Pa. – As more workers factor the price of their commute into their job choices, more employers are looking for ways to help employees cut their commuting costs. The IRS is helping by increasing to \$115 per month the amount that can be set aside in a worker's qualified, tax-free transportation fringe benefit plan.

This \$1,380 a year is more than enough to cover the annual cost of most transit or vanpool services in this region, notes Richard Farr, vice chair of the Susquehanna Regional Transportation Partnership and York County Transportation Authority executive director.

The pre-tax transportation program is similar in tax treatment to health savings accounts. A commuter can save by vanpooling or using transit, while also reducing their federal taxable income. Or employers can pay for all or part of the benefit and save by reducing their payroll taxes, such as Social Security and Medicare.

Employers can provide the qualified fringe benefit program through TransitCheks for employees to buy transit passes, tokens or tickets, and which are accepted by transit agencies in the Commuter Services region.

Employers can contact Commuter Services (1-866-579-RIDE, www.PaCommuterServices.com) regarding the federal transportation tax benefit.

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About Commuter Services of South Central Pennsylvania:

Commuter Services is a program of the non-profit Susquehanna Regional Transportation Partnership, whose board includes the Harrisburg Regional Chamber; the Gettysburg Adams, Lebanon Valley and York County Chambers of Commerce; Lancaster Chamber of Commerce & Industry; Adams County Transit Authority (ACTA); County of Lebanon Transit Authority (COLT); Red Rose Transit Authority (Lancaster); York County Transportation Authority (rabbitransit); Capital Area Transit (CAT, Cumberland-Dauphin-Harrisburg); the Lancaster, Lebanon and York metropolitan planning organizations (MPOs); Harrisburg MPO (Cumberland, Dauphin and Perry counties) and Adams Rural Planning Organization (RPO). Funding is provided by the Federal Highway Administration, PennDOT and the PA Department of Environmental Protection.