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President's Message

I want to thank everyone who has made 2007 such a successful year by increasing the use and availability of commuter benefits here in New York and all across the nation. For over 20 years now, TransitCenter has been working hard to fulfill our mission to reduce traffic congestion, increase transit use and help the environment by introducing commuter benefits to as many users as possible. The last 20 years have been wonderful for us and the industry as a whole. Ridership is on the rise and now over half a million commuters take advantage of these programs every single day. This has made a significant impact on the success of transit and has helped all of us preserve our most precious resource, the world we live in and leave behind for future generations. To further our public mission to improve the environment, we've also taken the step of providing our newsletter, TransitCenter News, in electronic form with this very first e-newsletter issue. On behalf of all of us here at TransitCenter, we look forward to the next 20 years of opportunities for bringing this benefit to commuters everywhere.

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Monthly Commuter Benefit Limits Increasing in 2008

For the second year in a row the IRS will increase the maximum allowable monthly tax-free deduction amount for commuter benefits by \$5. Starting January 1, 2008, new monthly maximums will be \$115 for transit and \$220 for parking.

“Increasing the monthly pre-tax maximum for commuting costs, in order to meet rising inflation, is important for commuter benefits to remain an effective cost-cutting program for employees who continue to face higher commuting costs each year,” says Larry Filler, President and CEO of TransitCenter.

The Internal Revenue Code section 132(f), which governs commuter benefits, allows for inflation adjustments based on changes in the Department of Labor’s Consumer Price Index. Due to a continued rise in the CPI, this is the second year in a row the limit has increased at the specified \$5 increment. As a mark of things to come, bills introduced in both the House of Representatives and in the U.S. Senate earlier this year seek to revise the laws even further to increase the monthly transit limit to \$200 a month.

“Commuter benefits help offset the full impact of rising commuting costs, such as those many New Yorkers will face when fares increase there in 2008. By raising the maximum allowable tax-free commuter benefit limit, commuting by transit will continue to be an economical choice, and continue to help reduce traffic congestion at the same time,” says Mr. Filler.

The bills, so far, have been assigned to committees for review.

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20 Years of Tax-Free Commuting

Twenty years ago, a new financial incentive for transit use was developed with the cooperation of the major transit agencies in the New York metro area and the region’s business community. The \$15 TransitChek[®] voucher was introduced as a form of tax-free payment accepted by the various transit agencies, a key element that allowed employers to offer the benefit to their employees regardless of the transit services they used to commute. Commuters began immediately purchasing their tokens and transit passes using this new product.

Today, that limit has been increased to \$110 a month (soon to be changed to \$115 per month in January 2008) and employees enrolled in their company’s commuter benefits program now commute tax-free using a variety of different products including debit cards.

With 2 million workers nationwide enrolled in some form of the program, commuter benefits have proven to be one of the most successful benefits to encourage use of transit. This in turn has helped reduce the rise in traffic congestion and auto emissions across the country. You can learn more about TransitCenter's mission and continuing efforts by visiting www.transitcenter.com/aboutus/Mission.aspx.

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Latest Study Shows Traffic Congestion in the U.S. Getting Worse

Despite continued gains in some areas, traffic congestion continues to worsen in American cities of all sizes according to the Texas Transportation Institute's latest study, the "2007 Urban Mobility Report". Based on an analysis of 2005 data, the study finds that the average peak period traveler spends: an extra 38 hours of travel time, an additional 26 gallons of fuel, and an extra \$710 a year, as a result of traffic congestion that is growing worse in all of the nation's 437 urban areas.

The report shows that with these figures, there exists a \$78 billion annual drain on the U.S. economy caused by worsening traffic conditions.

However, the study also noted that without public transit, the effects of traffic congestion would have been worse. Public transportation helped save a total of 541 million hours in travel time, and fuel usage would have been 340 gallons greater, according to the study.

Learn more about the report here at <http://mobility.tamu.edu/ums/>

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57% Growth in Commuter Benefits According to Commuter Survey

Employee concerns about higher gas prices and, now, global warming, have led to an increasing number of employers deciding to implement a commuter benefits program. TransitCenter, Inc.'s recently released *2007 Commuter Impact Survey*, an independently fielded survey of 254 human resource professionals, has shown that implementation of tax-free commuter benefits programs by U.S. employers in major metropolitan areas has grown 57%. Use of commuter benefits has jumped from 28% in 2006 to 44% in 2007.

According to the study, commuter benefits are the highest ranked program that employers plan to add to their benefits package in the next year. Current figures show that 17% of employers intend to implement a pre-tax commuter benefits program, compared to only 5% in 2006.

The survey also revealed why employers are turning to commuter benefits as a solution for their employees. Employers are recognizing growing concern regarding the financial and environmental costs of commuting to work. Respondents stated that, 93% of their employees are concerned about the cost of driving to work, 84% are worried about rising traffic congestion, and 79% are concerned about carbon emissions and their impact on global warming.

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Make Commuting by Transit Your New Year's Resolution

If you've been sitting in traffic this holiday season, you know how gridlock can add to the stress of travel. So why not make it your New Year's resolution to travel easier in 2008 by using transit and planning ahead with one of the many transit trip planners now available online.

Most transit trip planners operate on a similar concept as other online trip planning services. Enter the origin and destination of your trip and click submit for one or more easy options to travel by transit.

Basic versions of this technology will give you the numbers or names of the services you need to use, the connections if there are any, and the total time involved to get to where you need to go and the fare. The more advanced trip planners will give you even more options to customize your travel. You might choose an itinerary based on whether you want to walk more, pay the lowest fare, or make the fewest connections.

Although many of the trip planners offered by transit operators stay within the routes and schedules of the services they provide, there are some, like www.trips123.com in the New York Metro area and www.511.org which combine information from multiple transit operators within the area to help people travel farther distances by transit. To find out if transit trip planners are offered by the service in your area, start by visiting our Transit Resources page www.transitcenter.com/TransitResources/Guides.aspx to log on to your transit operator's website.

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