



### Business Deduction Elimination for Mass Transit and Parking Benefits

The [Tax Cuts and Jobs Act](#) (Act) eliminates the business deduction for qualified mass transit and parking benefits starting in 2018, except as necessary for ensuring an employee's safety. The Act also eliminates the exclusion for bicycle commuting expenses for tax years 2018 through 2025.

These benefits (except for bicycle commuting) will continue to be tax-exempt to employees. For 2018, employees can contribute pre-tax up to a maximum of \$260 per month for both qualified mass transit and parking expenses through an employer-sponsored qualified transportation plan under [Section 132\(f\)](#).

The Act's elimination of the business deduction for qualified mass transit and parking benefits means that employers will be taxed on the value of providing qualified transportation fringe benefits. Further, for tax-exempt employers, payments for these benefits will be treated as unrelated business taxable income.

1/11/2018



The UBA Compliance Advisors help you to stay up to date on regulatory changes to help simplify your job and mitigate compliance risk.

This information is general and is provided for educational purposes only. It reflects UBA's understanding of the available guidance as of the date shown and is subject to change. It is not intended to provide legal advice. You should not act on this information without consulting legal counsel or other knowledgeable advisors.