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LEGISLATIVE Alert

AMERICAN PUBLIC TRANSPORTATION ASSOCIATION



12/21/2011

Senate Passes Tax Package Without Transit Benefits Or Alternative Fuel Tax Credits; No Vote On Measure In The House

This past weekend, the Senate voted overwhelmingly (89-10) to pass a temporary, compromise bill extending the current payroll tax rate and unemployment insurance until the end of February 2012. The bill also includes language that addresses Medicare physician reimbursements (the "doc fix") and sets approval timelines related to the construction of the Keystone XL pipeline from Canada to the U.S. but, despite collective advocacy efforts, the bill does not include extensions of transit fringe benefits or the alternative fuel tax credit.

The House of Representatives had previously passed on December 13th a one-year extension of the current payroll tax rate and unemployment insurance benefits and the Medicare "doc-fix" which also did not include either of the transit related provisions. Yesterday, the House opted not to hold a direct, up or down, floor vote on the temporary Senate measure but rather voted (229-193) to move the Senate package immediately to a House-Senate conference. This move leaves the final disposition of the end of year tax bill unresolved. While Congress could return this year to reconcile their differences on the tax bill, it appears unlikely that they will deal with the transit commuter benefit and alternative fuel tax credit by January 1 when they expire. APTA intends to continue to work on these issues in an effort to see them extended early in 2012.

ACTION ALERT

Contact your Congressional delegations, especially members of the House Ways and Means Committee and Senate Finance Committee, and urge them to include in any future tax legislation:

I. An extension of the monthly maximum level of transit fringe benefits at parity with parking fringe benefits;

- Stress the importance of this benefit to your riders, especially in light of any recent fare increases;
- Emphasize how parity in this benefit makes both sound transportation policy and balanced tax policy.

II. An extension of the Alternative Fuel Tax Credit through the end of 2012;

- Explain how the initial capital investment and the ongoing operating costs are major considerations for transit agencies who are considering natural gas initiatives;
- Cite how important the tax credit is in the long term in justifying the front-end costs for a fueling facility and building modifications, and also the incremental costs for CNG power on each vehicle.

Stress to your Congressional delegation that there is still time to correct this problem. Urge them to make these provisions a priority in any negotiations over tax legislation.

For questions on these issues, please contact Brian Tynan of APTA's Government Affairs Department at (202) 496-4897, or btynan@apta.com.

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