



September 10, 2010

The Honorable Max Baucus
Chairman
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Charles Grassley
Ranking Member
Senate Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Baucus and Senator Grassley:

On behalf of the more than 1,500 members of the American Public Transportation Association (APTA), I write to express our strong support for the extension of tax provisions important to public transportation agencies and their riders.

The public transportation industry seeks the extension of the alternative fuels tax credit, both retroactively and through 2011 at a minimum. We appreciate the efforts of the committee to include the retroactive extension of this provision in prior versions of tax-extenders legislation, but with the adoption of provisions extending unemployment insurance, the alternative fuels tax credit extension was not retained in H.R. 4213. We strongly urge the committee to advance the retroactive extension of this important tax-credit in Senate tax legislation at the earliest opportunity, and we further urge you to provide a long-term extension of the provision as proposed in the New Alternative Transportation to Give Americans Solutions Act of 2009 (S.1408).

The uncertainty surrounding the extension of this provision has the potential to discourage future investment in natural gas fleets and fueling infrastructure necessary to support them. Further, transit agencies that have committed investments into natural gas fleets have counted on the tax credit being in place and the lack of an extension is affecting operating budgets at a very difficult financial time for these agencies. The extension of the tax credit will improve the affordability and diversity of agency fueling options, while also reducing the emission of harmful greenhouse gases and demonstrating a national commitment to a long-term strategy for energy security.

APTA also urges the committee to permanently extend the mass transit commuter tax benefit at the level equivalent to the monthly parking benefit, as enacted under the American Recovery and Reinvestment Act of 2009 (ARRA). The ARRA transit commuter tax provision established parity with the tax-free parking benefits available to commuters who drive, but the provision expires on December 31, 2010. Both transit commuting employees and their employers see a reduction in their tax liability as a result of this provision. Failure to extend the commuter benefit will effectively raise taxes on participating transit riders and employers at a time when we should be encouraging transit ridership for the environmental, energy, economic, and quality of life benefits it provides. Furthermore, federal tax law should not show a bias for one means of commuting over another. Legislation to permanently equalize the transit and parking benefits – the Commuter Benefits Equity Act of 2009 (S.322) – has been introduced by Senator Charles Schumer.

Thank you for your consideration of our views. If you should have any questions, please have your staff contact Brian Tynan at (202) 496-4897 or email btynan@apta.com.

Sincerely yours,

William Millar
President

WM/tjj

Chair
Mattie P. Carter

First Vice Chair
Michael J. Scanlon

Secretary-Treasurer
Nathaniel P. Ford, Sr.

Immediate Past Chair
Beverly A. Scott

Vice Chairs

J. Barry Barker
Government Affairs

Doran J. Barnes
Human Resources

Linda J. Bohlinger
Research and Technology

Christopher P. Boylan
Management and Finance

Flora M. Castillo
Transit Board Members

Joyce Eleanor
Bus and Paratransit Operations

Joseph Giulletti
Commuter and Intercity Rail

Sharon Greene
Business Members

Delon Hampton
Business Member-at-Large

Angela Iannuzziello
Canadian Members

Michael A. Sanders
State Affairs

Gary C. Thomas
Rail Transit

Peter J. Varga
Small Operations

Alice Wiggins-Tolbert
Marketing and Communications

President
William Millar