



**NYC Council Transportation Committee
Hearing on Pre-Tax Transit Benefit Legislation
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Good morning. My name is Ryan Lynch, and I am the associate director for the Tri-State Transportation Campaign, a non-profit transportation policy watchdog working in New York, New Jersey and Connecticut.

Tri-State supports passage of the Intro 295, a Local Law that would ensure that businesses of 20 or more employees would provide pre-tax transit benefits to their employees.

This bill would add more money into the pockets of New York City workers and help save businesses on their federal tax obligation, while also bolstering their bottom lines.

On average, according to WageWorks, a benefits program manager, businesses that provide the pre-tax transit benefits to employees see a participation rate of 30 percent across the metropolitan region. In many instances, the participation rate among businesses in the five boroughs is substantially higher.

Using the same conservative estimation of 30 percent participation rate, a small business of 20 employees would save over \$50 a month or approximately \$612 a year, and employees could take home \$32 more a month in their pay checks and almost \$385 more a year.

If this participation rate was maintained for the estimated 605,000 individuals that would become eligible for pre-tax transit benefits if this legislation passed, 181,500 residents would avail themselves of up to \$130 a month in pre-tax transit support.

And if those 181,500 residents simply chose to use \$112 in pre-tax transit benefits, or the cost of an unlimited monthly MetroCard, these employees in total would save almost \$80.5 million a year. Businesses that provide the new benefit to employees will save almost \$19 million a year.

Jointly, that is almost \$100 million a year that otherwise would be heading to Washington, DC, and instead could be invested in New York City's small businesses, neighborhoods and communities, and resources that businesses could be reinvested to grow their business, hire new staff or pay higher salaries to current employees.

This common sense legislation has nearly 40 co-sponsors, and the backing of riders, transportation advocates and civic, environmental, environmental justice, planning, businesses and labor groups.

We request the Transportation Committee join this impressive coalition in support of this bill, and urge the full City Council to pass Intro 295 into law.