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Press Release

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IMMEDIATE

### MTA Launches Campaign Promoting "Transit Tax Benefit"

[[Encourages Businesses, Employees to Take Advantage of Money-Saving Pre-Tax Transit Benefits]]

The Metropolitan Transportation Authority today launched a campaign to encourage New York businesses to take advantage of money saving pre-tax transit benefits. The transit benefit program allows employees to set aside up to \$100 in pre-tax earnings each month toward the purchase of their MetroCard or commuter railroad pass.

"I urge New York businesses to join this program because this transit benefit should be used by everyone who regularly takes a train, subway, or bus to work," Governor George E. Pataki said in support of the campaign effort. "Keeping our trains, subways and buses affordable is critical to the hard-working people of New York City, and providing pre-tax earnings while keeping the MTA the best transit system in the world is a win-win for every commuter."

According to MTA research, less than 10% of New York businesses are currently enrolled in the transit benefit program, meaning tens of thousands of New Yorkers are missing out on huge discounts. The purpose of this campaign is to encourage 100% of the region's employers to join pre-tax benefit programs.

MTA Chairman Peter S. Kalikow, who joined New York business leaders at the campaign kickoff event in Grand Central Terminal, said, "This is a deal too good not to take advantage of. Our goal is to make sure business owners and their employees know that everyone qualifies and everyone benefits. A business owner can save tens of thousands in payroll taxes depending on the number of employees enrolled in the program."

By using transit benefits a New Yorker in the 15 percent Federal tax bracket who uses \$70 pre tax dollars to purchase a 30-day card can save \$23 a month or \$277 a year.

For commuter rail customers in the 25 percent Federal tax bracket using \$100 in pre-tax benefits, the after-tax savings is \$39.50 a month or \$474 a year. That saves a Long Island Rail Road or Metro-North rider an average of 21 percent on a monthly ticket.

"Between the discounted MetroCard and the transit benefit program customers can effectively slash their fare in half. The cost of a subway or bus ride drops from the already discounted average price of \$1.26 to \$0.84 - going from a 37% discount to a 58% discount," said MTA Executive Director Katherine N. Lapp. "Our goal is to sign up as many companies and employees as possible so that both will be able to take full advantage of the benefits for the entire 2004 tax year."

During this campaign, the MTA is also urging Congress to pass the Commuter Benefits Equity Act of 2003. The Commuter Benefits Equity Act will enable mass transit riders to deduct as much in commuting costs as automobile users. By raising the allowable transit deduction from \$100 per month to \$190 per month, Congress can make public transportation an even more attractive option for workers in New York State.

"The Partnership is encouraging 100 percent participation in the pretax transit benefit program by the city's major employers," said Kathryn S. Wylde, President and CEO of the Partnership for New York City. "This is a big win for business, because it reduces commuting expenses for employees at virtually no cost. It is one way that New York City taxpayers can get a little bit more back from the federal coffers."

Michelle Adams, Executive Director of the Association for a Better New York (ABNY) said, "Educating the public about transit benefits means more businesses will participate and more New Yorkers will save money."

New York City subway and bus commuters can use the transit benefit to purchase a 30-Day or 7-Day Unlimited Ride MetroCard, or purchase or add value to a Pay-Per-Ride MetroCard. Long Island Rail Road and Metro-North Railroad commuters can use the transit benefit toward purchase of single trip, multi trip, weekly or monthly rail pass.

The transit benefit is not limited to MTA agencies. Employees can use the benefit to lower their costs for non-MTA bus service, PATH, New Jersey Transit, Amtrak, ferries, and even van pools. For more information about transit benefits, log onto [www.mta.info](http://www.mta.info).