

Bicycle Commuter Tax Provision

Actual Language as Signed into Law

SEC. 211. TRANSPORTATION FRINGE BENEFIT TO BICYCLE COMMUTERS.

(a) In General- Paragraph (1) of section 132(f) is amended by adding at the end the following:

`(D) Any qualified bicycle commuting reimbursement.'.

(b) Limitation on Exclusion- Paragraph (2) of section 132(f) is amended by striking `and' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting `, and', and by adding at the end the following new subparagraph:

`(C) the applicable annual limitation in the case of any qualified bicycle commuting reimbursement.'.

(c) Definitions- Paragraph (5) of section 132(f) is amended by adding at the end the following:

`(F) DEFINITIONS RELATED TO BICYCLE COMMUTING REIMBURSEMENT-

`(i) QUALIFIED BICYCLE COMMUTING REIMBURSEMENT- The term `qualified bicycle commuting reimbursement' means, with respect to any calendar year, any employer reimbursement during the 15-month period beginning with the first day of such calendar year for reasonable expenses incurred by the employee during such calendar year for the purchase of a bicycle and bicycle improvements, repair, and storage, if such bicycle is regularly used for travel between the employee's residence and place of employment.

`(ii) APPLICABLE ANNUAL LIMITATION- The term `applicable annual limitation' means, with respect to any employee for any calendar year, the product of \$20 multiplied by the number of qualified bicycle commuting months during such year.

`(iii) QUALIFIED BICYCLE COMMUTING MONTH- The term `qualified bicycle commuting month' means, with respect to any employee, any month during which such employee--

`(I) regularly uses the bicycle for a substantial portion of the travel between the employee's residence and place of employment, and

`(II) does not receive any benefit described in subparagraph (A), (B), or (C) of paragraph (1).'

(d) Constructive Receipt of Benefit- Paragraph (4) of section 132(f) is amended by inserting `(other than a qualified bicycle commuting reimbursement)' after `qualified transportation fringe'.

(e) Effective Date- The amendments made by this section shall apply to taxable years beginning after December 31, 2008.