



Representative Mark Cusack  
House Chair, Joint Committee on Revenue  
Statehouse, Room 34  
24 Beacon Street  
Boston, MA 02130

Senator Susan Moran  
Senate Chair, Joint Committee on Revenue  
Statehouse, Room 506  
24 Beacon Street  
Boston, MA 02310

March 29, 2023

**Transportation for Massachusetts Testimony on H.2973 and S.1850, *An act relative to commuter transit benefits***

Dear Chair Cusack and Chair Moran,

Transportation for Massachusetts (T4MA) is a statewide coalition of more than 100 members and partners that have a stake in improving transportation statewide. T4MA envisions and works towards a Commonwealth with transportation systems that connect people with their choice of housing, economic opportunities, healthcare, and accessible and reliable public transportation.

T4MA strongly supports House bill 2973, and Senate bill S1850, *An act relative to commuter transit benefits*. These bills would update and expand the commuter transit deductions in the Massachusetts tax code to improve equity, reduce congestion, and even the playing field between drivers and transit riders.

Currently, tax filers in Massachusetts can deduct up to \$750 for individual daily tolls and only weekly or monthly passes on the MBTA including bus, subway, commuter rail and commuter boat. The deduction does not include fares for transit and does not include deductions for either passes or fares on any of the 15 Regional Transit Authorities (RTAs). In short, you can deduct daily tolls but not daily transit fares, which is inherently inequitable.

H.2973 and S.1850 propose expanding this deduction to “any bikeshare membership fee, Massachusetts Bay Transit Authority or regional transit authority fare.” This change would level the playing field for transit riders and drivers, regardless of where someone lives in the Commonwealth. Our tax code should not be based on geography and should not exclude transit riders in the over 250 communities serviced by RTAs.

The average fare on the MBTA commuter rail system is over \$9, a single bus \$1.70 on bus, and \$2.40 for a single subway ride. A single ride on the RTAs varies from \$2 on the Cape Cod RTA to \$1.50 on the Metrowest RTA, for example.

In contrast, tolls for driving the entire length of the MassPike of 135 miles from Stockbridge to Logan Airport is only \$7.45. Under current law, the only person eligible for a tax deduction would be the driver on the Pike who's carbon footprint is much larger than any person on transit. H.2973 and S.1850 would fix this inequity in our tax code.

In addition, many transit riders cannot afford the upfront cost of purchasing a monthly or weekly pass. These bills would allow residents who purchase daily fares to claim the same deductions as passholders.

Covid has changed the way people commute with more people working from home and only riding transit a few times a week. This change has resulted in fewer commuters purchasing monthly passes because it does not make economic sense anymore if they now have a hybrid work schedule. H.2973 and S.1850 would allow commuters the same deductions that they once had before the pandemic.

Section 2 of these bills reduces the threshold for qualified deductions from \$150 to \$50 to ensure the benefits capture all modes and expenses. Lowering the threshold would ensure to capture annual bikeshare memberships and encourage multimodal transportation. Current annual membership costs for [Bluebikes](#) is \$129 if you pay upfront, \$156 if you pay, and if you pay month to month it is \$29 a month (which would require a resident to pay monthly for at least 6 months to claim the current tax deduction.) An annual membership to [Valley Bike](#) in Northampton is less than \$100. Without lowering the threshold to \$50 there would be almost zero benefit for bike share memberships.

The Commonwealth needs to encourage multi modal transit to reduce emissions from transportation, reduce congestion, and encourage active commuting.

T4MA encourages the committee to report these bills out favorably to update our tax code to benefit all Massachusetts residents, regardless of where they live. These small changes will level the playing field between drivers and transit users, increase equity in our tax code, and incentivize multimodal transportation to address our climate goals.

Thank you for your time and consideration of this request.

Sincerely,

Pete Wilson  
Senior Policy Advisor  
Transportation for Massachusetts