

STATE OF NEW YORK

3145

2025-2026 Regular Sessions

IN SENATE

January 23, 2025

Introduced by Sen. COONEY -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the tax law, in relation to authorizing the election of qualified transportation fringe benefits

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The tax law is amended by adding a new section 50 to read
2 as follows:

3 § 50. Election of qualified transportation fringe benefits. (a) Defi-
4 initions. For the purposes of this section, the following terms shall
5 have the following meanings:

6 (1) "bikesharing arrangements" means a rental operation at which bicy-
7 cles, as defined in section one hundred two of the vehicle and traffic
8 law; bicycles with electric assist, as defined in section one hundred
9 two-c of the vehicle and traffic law; or electric scooters, as defined
10 in section one hundred fourteen-e of the vehicle and traffic law, are
11 made available to pick up and drop off for point-to-point use within a
12 defined geographic area;

13 (2) "employer" means an entity, including but not limited to a corpo-
14 ration, nonprofit organization, partnership, joint venture, common trust
15 fund, limited association, pool or working agreement, local government,
16 or limited liability company, that employs three or more persons in this
17 state;

18 (3) "local government" means the same as such term is defined in
19 section three hundred eight of the real property tax law;

20 (4) "qualified transportation fringe benefits" means:

21 (A) any qualified transportation fringe benefit as that term is
22 defined in 26 U.S.C. § 132(f);

23 (B) TNC prearranged trips, as defined in section sixteen hundred nine-
24 ty-one of the vehicle and traffic law, or rides provided by bikesharing

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

LBD03022-01-5

1 arrangements or ridesharing arrangements for use by an employee in trav-
2 eling between the employee's residence, the employee's place of employ-
3 ment, or a mass transit facility that connects the employee to the
4 employee's residence or place of employment; or

5 (C) membership in any transportation network company, ridesharing, or
6 bikesharing membership program;

7 (5) "ridesharing" means the vehicular transportation of passengers
8 traveling together primarily to and from such passengers' places of
9 business or work or traveling together on a regularly scheduled basis
10 with a commonality of purposes if the vehicle used in such transporta-
11 tion is not operated for profit by an entity primarily engaged in the
12 transportation business and if no charge is made therefore other than
13 that reasonably calculated to recover the direct and indirect costs of
14 the "ridesharing arrangement", including, but not limited to, a reason-
15 able incentive to maximize occupancy of the vehicle. "Ridesharing" shall
16 include "ridesharing arrangements" commonly known as carpools and
17 vanpools, but shall not include school transportation vehicles operated
18 by elementary and secondary schools when they are operated for the
19 transportation of children to or from school or on school-related
20 events.

21 (b) Election of qualified transportation fringe benefits in lieu of
22 taxable dollar compensation for certain employees. For taxable years
23 beginning on and after January first, two thousand twenty-six, any
24 employer may offer employees the opportunity to use pre-tax earnings for
25 the purchase of qualified transportation fringe benefits.

26 (c) Rules and regulations. The department may promulgate rules and
27 regulations necessary to implement and administer this section.

28 § 2. This act shall take effect immediately and shall apply to taxable
29 years beginning on and after January 1, 2026.