

SENATE No. 2720

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Second General Court
(2021-2022)

SENATE, March 3, 2022.

The committee on Labor and Workforce Development, to whom was referred the petitions (accompanied by bill, Senate, No. 1218) of John F. Keenan, Jack Patrick Lewis, James B. Eldridge, Michael O. Moore and other members of the General Court for legislation to expand access to commuter transit benefits offered by employers; and (accompanied by bill, House, No. 2036) of Steven C. Owens and others relative to expanding access to commuter transit benefits offered by employers, reports the accompanying bill (Senate, No. 2720).

For the committee,
Patricia D. Jehlen

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An Act expanding access to commuter transit benefits offered by employers.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 149 of the General Laws, as appearing in the 2018 Official Edition,
2 is hereby amended by inserting after section 203 the following section:-

3 Section 204 (a) As used in this section, the following words, unless the context clearly
4 requires otherwise, shall have the following meanings:-

5 “Employee”, shall have the same meaning as provided in clause (h) of section 1 of
6 chapter 151A.

7 “Employer”, shall have the same meaning as provided in subsection (i) of section 1 of
8 chapter 151A; except the United States government shall not be considered an employer;
9 provided, however, that an individual employer shall be determined by the Federal Employer
10 Identification Number.

11 “Pre-tax transportation fringe benefit,” a pre-tax election transportation fringe benefit that
12 provides commuter highway vehicle and transit benefits, consistent with the provisions and
13 limits of section 132(f)(1)(A), (B), and (D) of the United States Internal Revenue Code of 1986

14 (26 U.S.C. s.132(f)(1)(A), (B), and (D)) at the maximum benefit levels allowable under federal
15 law, to be deducted for those programs from an employee's gross income pursuant to section
16 132(f)(2) of the United States Internal Revenue Code of 1986 (26 U.S.C. s.132(f)(2)).

17 (b) Every employer in the Commonwealth of Massachusetts that employs at least 50
18 persons shall offer to all of that employer's employees, that are not covered by a collective
19 bargaining agreement, the opportunity to utilize a pre-tax transportation fringe benefit; provided,
20 nothing herein shall prevent an employer and employees covered by a collective bargaining
21 agreement from bargaining to include a pre-tax transportation fringe benefit in such agreement.

22 (c) Any employer found to be in violation of this section shall be liable for a fine of \$100
23 for a first violation. For each additional month in which an employer fails to offer a pre-tax
24 transportation fringe benefit shall constitute a subsequent violation and a fine of \$250 shall be
25 imposed for each subsequent violation. A fine shall not be imposed on any individual employer
26 more than once in a month.

27 (d) The Massachusetts Department of Revenue shall direct a public multilingual
28 awareness campaign in conjunction with the Massachusetts Bay Transportation Authority that
29 encourages the public to contact employers about pre-tax transportation fringe benefits and shall
30 coordinate such campaign with regional planning agencies, transportation management
31 associations, regional transportation authorities, chambers of commerce, private and non-profit
32 providers of public transportation, and other transportation stakeholders. The Office shall prepare
33 and disseminate model multilingual written materials to be used by employers to notify
34 employees of the pre-tax transportation fringe benefits offered.

35 (e) The Commissioner of the Department of Revenue shall adopt regulations to ensure
36 compliance and implementation of the provisions of this section, including but not limited to, (1)
37 a process by which employees and others can confidentially report non-compliant employers.

38 SECTION 2. Subsection (c) of Section 1 shall take effect one year after the passage of
39 this act.