

T. TRANSPORTATION  
JOBS, BUSINESS GROWTH  
& TAX REFORM DEC 04 2008

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Commute traffic is the greatest source of congestion in the city of Los Angeles. Every morning and evening as Angelenos traverse the city to and from work. Not only does traffic congestion affect our quality of life, but it increases pollution and results in delays that cause billions of dollars in wasted time and fuel.

For years, we have attempted to address traffic congestion by targeting street capacity and roadway impediments through anti-gridlock zones, tiger teams, rush-hour construction ban, traffic officer deployment and light synchronization. We have also worked to promote public transportation, carpooling and van pooling to decrease the number of vehicles on the road.

While these mechanisms have been successful, we need to expand our traffic fighting tool-kit to engage employers. Businesses have options to provide transit incentives that are underutilized. For example, few people are aware of IRS Code 132(f), a pre-tax spending accounts for transportation. Not only can this reduce the financial burden for employees, but it also reduces the amount payroll taxes.

In a recent survey by the Los Angeles Chamber of Commerce, businesses indicated strong support for finding transportation relief for employees and patrons. Rarely do cities have the chance to reduce congestion while providing tax relief to its citizens and businesses.

San Francisco introduced a plan that requires local businesses to either provide transportation to and from work or provide transit passes or allow employees to utilize IRS Code 132(f). As the city with the nation's most notorious traffic congestion, we must utilize all the available tools to reduce gridlock.

I THEREFORE MOVE that the Chief Legislative Analyst (CLA) work with the Los Angeles Chamber of Commerce, METRO, Office of Finance and the Chief Administrative Office (CAO) to develop a menu of options for businesses and employees to utilize. This list should include:

- **Employee-Paid, Pre Tax Transportation Benefits IRS code 132(f) for pre-tax**
- **Shared-Cost Transportation Benefits.** Employers can share the cost of transit or vanpool costs with employees-and everyone can receive valuable tax savings.
- **Parking Cashout**
- **Employer-Paid Transportation benefits**
- **Reduced-cost transit passes for purchase by businesses**
- **Incentives for employers to provide transportation for employees**

I FURTHER MOVE that the Office of Finance work with METRO to develop a marketing strategy to publicize the options that exist.

I FURTHER MOVE that the CLA and Office of Finance determine if an appropriate threshold exists for making participation mandatory and if so, potential enforcement mechanisms.

PRESENTED BY: *Wendy Greuel*  
WENDY GREUEL  
Councilwoman, 2<sup>nd</sup> District

*nb*

SECONDED BY: *[Signature]*