
A BILL FOR AN ACT

RELATING TO QUALIFIED TRANSPORTATION BENEFITS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The department of human resources development
2 administers a pre-tax transportation benefit program for
3 eligible employees of the executive branch who live and work on
4 Oahu. The program allows employees to purchase, on a pre-tax
5 basis, passes for TheBus, fare coupons for TheHandi-Van, and
6 vouchers for Vanpool Hawaii.

7 Through the pre-tax transportation benefit program,
8 participating employees save money by purchasing transit passes
9 with pre-tax money. The State also saves money because an
10 employee's participation in the program decreases the employee's
11 gross taxable wages and corresponding social security taxes,
12 which decreases the amount that the State, as employer, must
13 contribute.

14 The purpose of this Act is to expand the existing pre-tax
15 transportation benefit program by making it available to all
16 eligible state employees.



1 SECTION 2. The Hawaii Revised Statutes is amended by
2 adding a new chapter to be appropriately designated and to read
3 as follows:

4 "CHAPTER

5 TRANSPORTATION BENEFITS

6 § -A Definitions. As used in this chapter, unless the
7 context clearly indicates otherwise:

8 "Department" means the department of human resources
9 development.

10 "Employee" means a person who is employed by the State who
11 is eligible to participate in the employees' retirement system
12 of the State of Hawaii as defined in section 88-21.

13 "Transit pass" has the same meaning as in section 132(f)(5)
14 of the Internal Revenue Code of 1986, as amended.

15 § -B Pre-tax transportation benefit program. (a) The
16 State shall establish a pre-tax transportation benefit program
17 in accordance with section 132(f) of the Internal Revenue Code
18 of 1986, as amended. The pre-tax transportation benefit program
19 shall allow employees to exclude from gross income the value of
20 any transit pass, in accordance with section 132(f) of the
21 Internal Revenue Code, as amended. The program shall be placed
22 within the department.

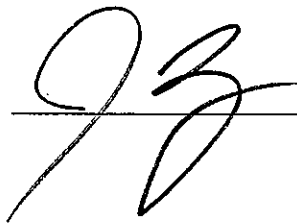


1 (b) The department shall adopt rules pursuant to chapter
2 91 to carry out the purposes of this chapter."

3 SECTION 3. This Act shall take effect upon its approval;
4 provided that a pre-tax transportation benefit program shall be
5 available to all state employees no later than July 1, 2012.

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INTRODUCED BY:

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JAN 20 2011



Report Title:

Qualified Transportation Benefits; Pre-Tax Transportation Benefit Program

Description:

Authorizes the State to establish a pre-tax transportation benefit program for the benefit of state employees. Places the program in the department of human resources development.

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