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Lisa Suzuki/The Chronicle

Willy Dommen of San Anselmo, who regularly bikes to work on a leg of his commute, crosses the Embarcadero on his way to the ferry.

SAN FRANCISCO

Bailout gives cyclists a leg up

As of January, bike commuters can get \$20-a-month, tax-free reimbursement

By Rachel Gordon
CHRONICLE STAFF WRITER

The \$700 billion bailout bill intended to stop the tailspin of the nation's financial sector did something else: It includes federal tax benefits for people who commute by bike.

Starting in January, workers who use two-wheelers as their primary transportation mode to get to and from work will be eligible for a \$20-a-month, tax-free reimbursement from their employers for bicycle-related expenses. In return, employers will be able to deduct the expense from their federal taxes.

"It significantly legitimizes bicycling and elevates it to a credible commute mode, like riding a bus or train," said Andy Thornley, program director for the San Francisco Bicycle Coalition.

The money could be used to purchase, store, maintain or repair bikes

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ANDY THORNLEY, program director for the San Francisco Bicycle Coalition

that are used for a substantial portion of an employee's commute.

Bike advocates have been trying for seven years to get such a provision passed in Washington, but came up short until Congress rushed through the Wall Street bailout package last week and lawmakers squeezed in pet projects. The bicycle benefit was championed by members of the Oregon delegation.

Backers estimate that the federal tax rolls may lose out on about \$1 million a year due to the new employer write-off, according to the advocacy group League of American Bicyclists.

Willy Dommen, 49, regularly rides his bike from his San Anselmo home to his job as a management technology consultant in San Francisco's Financial District. He said the \$20-a-month perk for cyclists won't amount to much in terms of covering actual expenses. But, he said, it will help raise awareness of bicycling, "and that recognition is great."

San Francisco Supervisor Ross Mirkarimi plans to introduce an amendment to a law he sponsored earlier this year that requires all but the smallest businesses in the city to provide their em-

ployees with incentives to get them out of their cars and onto transit.

Under the city law, which will take affect next summer after a six-month public education period, employers with 20 or more employees will have to offer their workers transit passes or vanpool reimbursements or offer them door-to-door shuttle service, or set up a program in which employees could tap into an existing federal program that provides tax breaks for those who commute on transit. Mirkarimi hopes to add the new fringe benefit for bicyclists as an acceptable alternative.

"It's another opportunity to encourage good commuting habits," he said.

The federal bike bill would not allow participants to tap into both the transit credit and the bike reimbursement.

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