



Tax Reduction Letter

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Reg. Section 1.132-9(b), Q&A-2

Qualified transportation fringes

Q-2.

What is transportation in a commuter highway vehicle?

A-2.

Transportation in a commuter highway vehicle is transportation provided by an employer to an employee in connection with travel between the employee's residence and place of employment. A commuter highway vehicle is a highway vehicle with a seating capacity of at least 6 adults (excluding the driver) and with respect to which at least 80 percent of the vehicle's mileage for a year is reasonably expected to be—

- (a) For transporting employees in connection with travel between their residences and their place of employment; and
- (b) On trips during which the number of employees transported for commuting is at least one-half of the adult seating capacity of the vehicle (excluding the driver).