



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

November 12, 2020

The Honorable Kathleen M. Rice  
U.S. House of Representatives  
Washington, DC 20515

Dear Representative Rice:

I write in reply to your September 28, 2020 letter requesting guidance or other relief related to qualified transportation fringe benefits, in particular unused commuting benefits under a compensation reduction agreement, due to the ongoing COVID-19 pandemic. The Department of the Treasury appreciates your correspondence on this important issue.

As a result of the COVID-19 pandemic, employees may not be commuting to work or may be commuting on a reduced basis, and as a result, compensation reduction elections made previously may not currently be accurate or required. While unused funds will accrue and roll over monthly for future use, the applicable regulations provide the flexibility to allow compensation reductions to be stopped or reduced for the future with a subsequent election effective for the next payroll period. We understand that, despite the flexibility in the current rules, your view is that further relief may be warranted, and we will keep that in mind as we continue to have discussions with the Internal Revenue Service (IRS) regarding the effects of the pandemic.

Treasury and the IRS are continuing to implement the economic stimulus relief provided in recent legislation, and Treasury is committed to working with Congress to consider whether additional relief is necessary to stimulate the economy and to implement appropriate actions and policies.

If you have further questions, please direct your staff to contact the Office of Legislative Affairs.

Sincerely,

Frederick W. Vaughan  
Principal Deputy Assistant Secretary  
Office of Legislative Affairs

cc: The Honorable Lee Zeldin  
The Honorable Peter T. King  
The Honorable Thomas R. Suozzi  
The Honorable Gregory W. Meeks  
The Honorable Charles P. Rettig