Business Requirements Document

SR83840 – 2013 Qualified Transportation Benefits and Parking Rate Changes
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1  Overview

To adjust the rates for qualified transportation and parking for tax year 2013.

1.1  Background

For 2011, an employee could exclude from gross income up to $230.00 per month in employer-provided mass transit and parking benefits. However, for 2012, the exclusion rose to $240.00 for parking due to an inflation adjustment, but it fell to $125.00 for employer-provided transit and vanpooling benefit, creating a disparity with other qualified transportation fringe benefits. Under pre-Act law, this disparity was scheduled to continue for post-2012 years, and mass transit and vanpool benefits extended to employees would only be excludable up to $125.00 per month.

The Internal Revenue Service issued Revenue Procedure 2013-15 on January 11, 2013 which included the annual inflation adjustments for tax year 2013, including the tax rate schedules, and other tax changes from the recently passed American Taxpayer Relief Act of 2012.

For the tax year 2013, the monthly limitation under IRC Section 132(f)(2)(A) regarding the aggregate fringe benefit exclusion amount for transit passes and transportation in a commuter highway vehicle is $245, up from $240 for tax year 2012 (the legislation provided a retroactive increase from the $125 limit that had been in place). The monthly limitation under 132(f)(2)(B) related to the fringe benefit exclusion amount for qualified parking is also increased to $245, from $240.

1.2  Objectives

Update the PPS Systems Parameters Table to reflect the 2013 rate changes for the commuter vehicle and transit pass (078 FED and 079 SWT).

Update the PPS Systems parameters Table to reflect the 2013 rate changes for the qualified parking (076 FED and 077 SWT).

The rate change was effective January 1, 2013. The table update should be done as soon as possible.

1.3  Related Projects & Dependencies
1.4 Stakeholders

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<td>Marcia Johnson</td>
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1.5 Proposed Strategy
Update System Parameters table.

1.6 Glossary
N/A

2 Product/Solution Scope

2.1 Included in Scope
Control Table Changes.

2.2 Excluded from Scope
N/A

2.3 Assumptions & Constraints
N/A
2.4 Outstanding Items
N/A

3 Business Services and Processes
N/A

4 Business Rules
N/A

5 Business Requirements

5.1 User Requirements
N/A

5.2 Functional Requirements

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5.3 Reporting Requirements
N/A

6 Non-Functional Requirements
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7 External References
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RETN: UNTIL ACTION TAKEN

PREPARED BY: John Brown
DATE: 7/1/13
APPROVED BY: John Smith
DATE: 7/1/13
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