Beginning in January 2019 the University began including the market value of employee parking permits as non-cash compensation (at a market value of $155 per parking permit) to those employees who held parking permits during the calendar year. This was done in order to comply with the Tax Cuts and Jobs Act that was signed into law in late 2017, and the amount was ratably spread over the each pay period in 2019.

On December 20, 2019, the Further Consolidated Appropriations Act, 2020 (Act) was signed into law. As part of this legislation, the requirement to treat qualified transportation fringe benefits as taxable income has been repealed. These transportation fringe benefits include the cost of employer-provided parking. The repeal is effective retroactively to amounts paid or incurred after December 31, 2017.

As the University’s payrolls for 2019 had already been prepared and submitted for payment by the time the Act was signed into law, a supplemental payroll was executed effective December 31, 2019 that reversed the amounts reported as non-cash compensation for parking in 2019. Therefore, if you held a parking permit during 2019, your 2019 Form W-2 Wage and Tax Statement will reflect your taxable wages in box 1 EXCLUDING the value of the parking permits you held. Second, effective with the first pay period AFTER January 1, 2020, the value of parking will no longer be included as non-cash compensation.

Other than the Form W-2 change noted above, the University will not be making any other adjustments to the amount of non-cash compensation or taxes withheld in 2019 since the taxes have already been withheld and remitted to the tax authorities. Consult your tax advisor with regard to receiving a refund of income taxes paid.

If you have any questions regarding this matter, please contact Payroll at 3436.