



National Finance Center Customer Notification

Bicycle Subsidy

May 22, 2018

Dear Customer:

The National Finance Center (NFC) is notifying customers that on December 22, 2017, the President signed the Tax Cuts and Jobs Act into Public Law 115-97. Section 11047 of the Law, suspended qualified bicycle commuting reimbursement from an employee's income for any tax year beginning after December 31, 2017 and before January 1, 2026. IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits, further stated, if an employer chooses to continue offering this benefit, there is no deduction for the employer and the amounts reimbursed to the employee will be taxable.

There are two options for the Bicycle Subsidy:

Option 1

- The Agency will pay the bicycle subsidy through their transportation group (this is paid outside of the NFC system).
- To record the subsidy, the Agency will submit an allowance document at the end of the tax year with an allowance code 179 (127/179 Parking Subsidy) to record the payment received as taxable.

Option 2

- The Agency will use NFC's SPPS system and process a miscellaneous transaction selecting the taxable option to pay and record the bicycle subsidy.

Federal employees with questions concerning this notification should contact their Servicing Personnel Office. Authorized Agency representatives with questions concerning this notification should contact NFC's Contact Center at either 1-855-632-4468; via email to NFCcontactcenter@nfc.usda.gov or via the ServiceNow Customer Service Portal (CSP).