
March 23, 2022

The Honorable Vanessa E. Atterbeary
Chair, House Ways and Means Committee
131 House Office Building
Annapolis, MD 21401

Re: Letter of Support – Senate Bill 210 – Tax Credits – Employer-Provided Commuter Benefits - Expansion

Dear Chair Atterbeary and Committee Members:

The Maryland Department of Transportation (MDOT) supports Senate Bill 210 as a means to offer greater benefits and flexibility to both employers and commuters, while assisting with congestion and climate mitigation efforts.

As amended, Senate Bill 210 adds Carpool, Rideshare, Telework, Active Transportation, and multimodal options to the existing commuter tax credits that a business may claim, establishes an application process for the tax credit, and provides that the available tax credits to be issued by the MDOT not exceed \$1,000,000 for any fiscal year. The addition of these commuter benefit options will incentivize businesses to offer these alternative means of transportation, potentially attracting and retaining talent for Maryland employers, while helping to reduce congestion, conserve energy, and protect the environment; in doing so, this would continue to make Maryland a competitive state for businesses.

In 2021, a survey was conducted by the Transportation Research Group of the National Center for Smart Growth Research and Education at the University of Maryland in partnership with the MDOT. The Survey showed that more than 80 percent of respondents prefer a teleworking schedule after the pandemic. Many of these commuters shared that in a post-pandemic future that they will be more willing to use shared mobility options, ride transit, bike, and walk as their travel mode of choice. A recent survey of the Capital Region by the Greater Washington Partnership (*Capital COVID-19 Snapshot: Safe Return to Work Report*), showed that 72 percent of employers had plans to return to the office in the Summer of 2021 but would continue to offer flexible work options. According to this survey, in the post-pandemic environment, employers ranging from 50 or less employees to 1,000 or more employees estimated that 51 – 67 percent of their workforces would be teleworking 1 or more days per week.

Travel on Maryland's transportation system dropped to historic lows early in the pandemic; however, in 2021, volumes not only reached, but surpassed pre-pandemic levels, despite employers offering more flexible work schedules. The addition of the proposed commuter benefit options to the Maryland Commuter Tax Credit will not only support the continued reduction in congestion levels but also help to improve the quality of life of Marylanders, support Maryland businesses and the economy, and make commuting easier, safer, cheaper, and greener.

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For these reasons, the Maryland Department of Transportation respectfully requests the Committee grant Senate Bill 210 a favorable report.

Respectfully submitted,

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