Tax Expenditure Review Commission Member Evaluation Summary: TEB 1.6.04 Employer Transit Pass Credit

Tax Expenditure Facts

Year of Adoption: 2000
Statute: Minnesota Statutes 2025, section 290.06, subdivision 28
Tax Type: Individual Income Tax
Provision Type: Nonrefundable Credit
Latest Fiscal Impact Estimate: $100,000 - Fiscal Year 2027
Latest Claims Estimate: 26 - Tax Year 2023
Sunset Date: None

This expenditure is the result of state conformity to the Federal Code: No

Commission Approved Objective:

The objective of the Employer Transit Pass Credit is to incentivize Minnesota employers to subsidize transit passes for their employees to encourage the use of public transit.

Member Responses

Business (check all that apply):

	Choice Count
Job Creation & Maintenance	0
Investment	1
Competitiveness/Strategic	2
Health/Environmental/Social Justice	1
Other	1

Individual (check all that apply):

	Choice Count
Relief of Poverty	1
Progressivity/Assistance to Low Earners	1
Access to Opportunity	2
Health/Environment/Social Justice	1
Other	1

Recommendation to the Legislature

	Continue	Repeal	Modify	Total
Choice Count	2	1	2	5

Measurement and Effectiveness Ratings Summary

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree	Total
We can measure the overall benefit towards achieving the objective(s).	1	0	2	2	0	5
The expenditure’s benefit justifies its fiscal cost.	1	1	2	1	0	5
The expenditure is claimed by its intended beneficiaries.	0	0	1	4	0	5
The expenditure is claimed by a broad group of taxpayers.	2	2	0	1	0	5
The expenditure amount claimed per taxpayer is meaningful as an incentive/benefit.	0	2	0	3	0	5
The expenditure is relevant today.	1	2	0	2	0	5
The expenditure is primarily beneficial to smaller businesses.	0	2	3	0	0	5
The expenditure is primarily beneficial to lower income taxpayers.	0	1	1	2	1	5

Member Comments

The Commission wanted to better understand some of the spikes in use of the credit during what we know were transit ridership downturns. Helping better understand that in the future could help a future legislature decide how to best administer this credit.

This credit should be modified to keep pace with changing uses of public transit and consumer preferences.

Legislature needs to determine how this credit impacts today's workforce, especially with more companies requiring employees to return to the office.