LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 5288

STATE OF NEW JERSEY
222nd LEGISLATURE

DATED: NOVEMBER 5, 2026

SUMMARY

Synopsis: Expands employer provided commuter transportation benefit to include micromobility-sharing arrangements and transportation network company services.

Type of Impact: Annual State revenue loss.

Agencies Affected: Department of the Treasury.

Office of Legislative Services Estimate	
Annual State Revenue Loss	Indeterminate

- The Office of Legislative Services (OLS) finds that the proposed expansion of the commuter transportation benefit under the gross income tax would result in an annual State revenue loss. The OLS is unable to quantify the revenue loss due to the absence of relevant data.

BILL DESCRIPTION

This bill expands the scope of the gross income tax exclusion allowed for commuter transportation benefits to include micromobility-sharing arrangements and transportation network company services.

Under current law, gross income taxpayers may exclude from their taxable income the value of eligible commuter transportation expenses up to an annual limit, which in tax year 2026 is up to $4,080. Eligible expenses currently include numerous modes of transportation other than commuting in a motor vehicle containing one person. The bill updates current law to include micromobility-sharing arrangements and transportation network company services.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the proposed expansion of the commuter transportation benefit under the gross income tax would result in an annual State revenue loss. The OLS is unable to quantify the revenue loss due to the absence of relevant data, especially the number of employees who would claim the commuter transportation benefit deduction based on their use of micromobility-sharing arrangements or transportation network company services. However, the OLS notes that assuming an effective tax rate of 5.525 percent, the annual cost to the State for each taxpayer claiming the maximum exclusion is $225. In addition, the OLS notes that the Department of the Treasury does not provide information on the scale of the existing exclusion in the annual tax expenditure report.

Section:	*Revenue, Finance, and Appropriations*
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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).