

**GOVERNOR'S STATEMENT UPON SIGNING**  
**SENATE BILL NO. 1567**  
**(First Reprint)**

Today, I am signing Senate Bill No. 1567 into law, requiring certain employers to provide pre-tax transportation fringe benefits to their employees. Over the last thirteen months, my administration has had no higher priority than making New Jersey a better state for working families. Many workers in our State struggle with the costs of commuting to their jobs, particularly in light of NJTRANSIT fares that went up 36 percent under the prior administration. This bill ensures that workers at employers with more than 20 employees will have the ability to set aside wages on a pre-tax basis for the purchase of certain transportation services, including transit passes and parking passes. That benefit would then be deductible from the employee's income, allowing the employee to avoid paying taxes on these commuting costs.

While I am pleased to be able to support this bill, there is one technical issue that arose during the bill's review that warrants comment. The bill states that the bill does not apply to workers employed by the federal government if the federal government provides a transit benefit that is equal to or greater than the required pre-tax transportation fringe benefit. This implies that in the absence of such a benefit, the federal government would be subject to the bill's requirements with respect to its New Jersey employees. However, the definition of "employer" in the bill, which matches that under our State's unemployment compensation law, does not include the federal government, meaning the federal government would not be required to provide such a benefit to its employees.

I am further advised that the State does not have the legal authority to apply the bill's requirements to the federal government. In light of that conclusion, I wanted to signify my understanding that the bill does not apply to the federal government, in the hope of avoiding unnecessary confusion. I thank the sponsors for their authorship of this bill, and I look forward to continuing to work with the Legislature to support our State's commuters.

Date: March 1, 2019

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor