

SEC. 211. TRANSPORTATION FRINGE BENEFIT TO BICYCLE COMMUTERS.

(a) In General- Paragraph (1) of section 132(f) is amended by adding at the end the following:

“(D) Any qualified bicycle commuting reimbursement.”.

(b) Limitation on Exclusion- Paragraph (2) of section 132(f) is amended by striking “and” at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting “, and”, and by adding at the end the following new subparagraph:

“(C) the applicable annual limitation in the case of any qualified bicycle commuting reimbursement.”.

(c) Definitions- Paragraph (5) of section 132(f) is amended by adding at the end the following:

“(F) DEFINITIONS RELATED TO BICYCLE COMMUTING REIMBURSEMENT-

“(i) QUALIFIED BICYCLE COMMUTING

REIMBURSEMENT- The term “qualified bicycle commuting reimbursement” means, with respect to any calendar year, any employer reimbursement during the 15-month period beginning with the first day of such calendar year for reasonable expenses incurred by the employee during such calendar year for the purchase of a bicycle and bicycle improvements, repair, and storage, if such bicycle is regularly used for travel between the employee's residence and place of employment.

“(ii) APPLICABLE ANNUAL LIMITATION- The term “applicable annual limitation” means, with respect to any employee for any calendar year, the product of \$20 multiplied by the number of qualified bicycle commuting months during such year.

“(iii) QUALIFIED BICYCLE COMMUTING MONTH- The term “qualified bicycle commuting month” means, with respect to any employee, any month during which such employee--

“(I) regularly uses the bicycle for a substantial portion of the travel between the employee's residence and place of employment, and

“(II) does not receive any benefit described in subparagraph (A), (B), or (C) of paragraph (1).”.

(d) Constructive Receipt of Benefit- Paragraph (4) of section 132(f) is amended by inserting “(other than a qualified bicycle commuting reimbursement)” after “qualified transportation fringe”.

(e) Effective Date- The amendments made by this section shall apply to taxable years beginning after December 31, 2008.