





## EY Payroll NewsFlash Workforce Tax Services

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# Massachusetts exclusion amounts for transportation fringe benefits to conform to the federal limits starting in 2023

The Massachusetts Department of Revenue announced in [TIR 22-15](#) that beginning in 2023, the law conforms to the federal Internal Revenue Code (IRC) in determining the tax-free limit that applies to employer-provided parking, transit passes and commuter highway vehicle benefits.

Accordingly, effective January 1, 2023, the Massachusetts monthly exclusion for employer-provided parking is \$300 and \$300 for the combined total of transit pass and commuter highway vehicle benefits. (See [IRS Revenue Procedure 2022-38](#) and [EY Tax Alert 2022-1636](#).)

### Ernst & Young, LLP insights

Massachusetts conformity with the IRC in determining the taxable exclusion for transportation fringe benefits will simplify Massachusetts state income tax withholding calculations for employers and lower Massachusetts personal income taxes for employees receiving these benefits.

## Contact us for more information

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