

Parking Cash Out

Parking Cash Out (also known as Cash-in-Lieu of Parking) is an exciting employer commuter benefit program option for employers that offer free or subsidized parking to their employees. Employers implementing parking cash out provide employees with the choice of a parking space at work or a cash benefit. Any employer can implement a parking cash out program, but it works best for employers that lease parking and is typically implemented at the time of a new lease or lease renewal.

Employers Save with Parking Cash Out!

Parking Cash Out can result in significant savings for employers while also providing a cash benefit that supports employees that choose to commute by means other than driving alone.

Example 1: Free Employee Parking

The company pays to lease 100 employee parking spaces at a cost of \$100 per month per space, while employees receive free parking.	50 Spaces	x	\$50 per month, per space	x	12 months	=	\$30,000 Annual Parking Cost
---	-----------	---	---------------------------	---	-----------	---	---

Example 2: Parking Cash Out Program

A company leases 50 employee parking spaces at a cost of \$50 per month and 25 employees opt for a \$25 parking cash out benefit.	Before Parking Cash Out						
	50 Spaces	x	\$50 per month, per space	x	12 months	=	\$30,000 Total Annual Parking Cost
	After Parking Cash Out						
	25 employees	x	\$25 cash out, per month	x	12 months	=	+ \$7,500 Parking cash out program cost
	25 spaces	x	\$50 per month, per space	x	12 months	=	+ \$15,000 Leased Parking Cost
							\$22,500 Total Annual Parking Cost

Example 3: Parking Cash Out Program + Maryland Commuter Tax Credit

A company leases 50 employee parking spaces at a cost of \$100 a month, the cost of which is split evenly at \$50 per month between the company and the employee.	Before Parking Cash Out						
	50 spaces	x	\$50 per month, per space	x	12 months	=	\$30,000 Total Annual Parking Cost
Twenty-five employees opt for parking cash out. Employees who give up their parking spaces are given a \$50 monthly cash benefit.	After Parking Cash Out						
	25 employees	x	\$50 cash out, per month	x	12 months	=	+ \$15,000 Parking cash out program cost
	25 spaces	x	\$50 per month, per leased parking space	x	12 months	=	+ \$15,000 Leased Parking Cost
							\$30,000 Annual Parking Cost
The company applies for the Maryland Commuter Tax Credit.	\$15,000 parking cash out program cost	x	50 percent	=			- \$7,500 Maryland Commuter Tax Credit
							\$22,500 Total Annual Parking Cost

Parking Cash Out

HIGHLIGHTING Employer Benefits



Save Money

This cash benefit may be less than the cost of leasing a parking space, saving your organization money. It is also a qualifying expense for the Maryland Commuter Tax Credit.



Reduce Parking Demand

Employers with parking lot capacity issues benefit from offering a parking cash out. Since employees who accept the cash must opt for an alternate mode of transportation, this incentive is effective in reducing parking demand.



Achieve Corporate Sustainability Goals

Offering commuter benefits to employees helps achieve corporate social responsibility goals by reducing the company's carbon footprint.

Maryland Commuter Tax Credit

Maryland employers may claim a tax credit for a portion of the eligible costs of providing commuter benefits to participating employees including, parking cash out programs. An employer may claim the Maryland Commuter Tax credit if they provide a cash allowance to an employee in an amount equal to the parking subsidy that the employer would otherwise pay or incur to provide the employee a parking space. The employer may claim 50 percent of the cost of providing commuter benefits to their employees, up to \$100 per individual employee per month.

Employers that take advantage of the Maryland Commuter Tax Credit can easily realize the savings of parking cash out, while also maximizing cash benefits highly valued by employees!

Contact Commuter Choice Maryland

Commuter Choice Maryland is ready to assist you in addressing your employer's transportation needs.



Website: CommuterChoiceMaryland.com

Phone: 410-865-1100

Hours: Monday–Friday from 8:30 AM – 5:00 PM

Email: CommuterChoice@mdot.maryland.gov