

## Income Tax Credits for Tolls Paid

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### Issue

Do any states provide income tax credits for tolls paid? Have any states proposed such a credit?

### Summary

We have not identified any state that currently provides an income tax credit for tolls paid, but we identified at least five states (Indiana, Massachusetts, New Jersey, New York, and Pennsylvania) that have proposed such a credit. Additionally, at least two states (Massachusetts and West Virginia) allow taxpayers to deduct toll expenses from their taxable income.

### Tax Credit Proposals

We identified at least five states that have considered proposals to provide an income tax credit for tolls paid. Table 1 lists these proposals, provides descriptions for each, and notes their end result. Although we only list one proposal for each state, some of these states, including Pennsylvania and New York, considered similar tax credit proposals in other years.

**Table 1: Proposed Income Tax Credits for Tolls Paid**

<b>State</b>	<b>Year</b>	<b>Description</b>	<b>End Result</b>
Indiana	Senate Bill <a href="#">378</a> (2017)	Bill would have provided a tax credit to qualified businesses equal to the amount of tolls paid, up to \$1,000 per year. To qualify, businesses must be located in specified counties and pay at least \$500 in toll expenses per year.	Died in committee

Massachusetts	Ballot <a href="#">question 6</a> (2000)	The ballot initiative would have provided a tax credit equal to 100% of tolls paid	Ballot initiative failed
New Jersey	Senate Bill <a href="#">1957</a> and Assembly Bill 2939 (2012)	Bill would have provided a \$1,000 tax credit to any taxpayer that paid more than \$1,000 in tolls through an electronic toll collection system	Died in committee
New York	FY 2017 Proposed executive <a href="#">budget</a>	Bill would have provided a tax credit for thruway tolls paid through E-ZPass accounts; credit amount generally equal to 50% for individuals and businesses who paid at least \$50 in tolls and businesses who paid between \$100 and \$9,999 in tolls	Legislature eliminated the toll credit before the budget's final passage
Pennsylvania	House Bill <a href="#">926</a> (2017)	Bill would have provided a tax credit equal to 50% of tolls paid through E-ZPass for the Pennsylvania Turnpike and certain bridges, up to \$500 total per taxpayer	Died in committee

## Tax Deductions

Although we did not identify any state that currently provides an income tax credit for tolls paid, at least two states allow taxpayers to deduct eligible toll expenses from their taxable income.

Massachusetts allows taxpayers to [deduct](#) specified commuting costs, including tolls paid through an E-ZPass Massachusetts account, from their taxable income ([Mass. Gen. Laws 62 § 3](#)). The deduction (1) applies only to the portion of commuting expenses that exceeds \$150, or \$150 per person for married couples filing jointly and (2) is capped at \$750 per person. Taxpayers cannot deduct any commuting costs that are reimbursed by their employer or otherwise deductible.

West Virginia allows taxpayers to deduct West Virginia Turnpike tolls paid electronically through a parkways authority commuter card ([W. Va. Code § 11-21-12h](#)). The deduction applies only to the amount of tolls paid over \$25, and the total deduction is capped at \$1,200. Taxpayers cannot deduct amounts reimbursed by an employer or that are otherwise deductible. Taxpayers can carry forward for three years any eligible toll payments that were not deducted.

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