

Part III - Administrative, Procedural, and Miscellaneous

Qualified Transportation Fringes

Notice 2010-94

This notice delays the effective date of Revenue Ruling 2006-57. Revenue Ruling 2006-57 provides guidance to employers on the use of smartcards, debit or credit cards, or other electronic media to provide qualified transportation fringes under sections 132(a)(5) and (f) of the Code. This guidance is intended to provide relief to mass transit providers that have been unable to update their systems in order to comply with the Revenue Ruling guidelines prior to the current effective date of January 1, 2011. The effective date of Revenue Ruling 2006-57 is further delayed until January 1, 2012. Revenue Ruling 2006-57 is modified.

Revenue Ruling 2006-57, 2006-2 C.B. 911, provides guidance to employers on the use of smartcards, debit or credit cards, or other electronic media to provide qualified transportation fringes under Internal Revenue Code §§ 132(a)(5) and 132(f). The ruling's effective date was set for January 1, 2008. In 2007, however, Treasury and the IRS became aware that certain transit systems needed additional time to modify their technology and make it compatible with the requirements for vouchers set forth in Revenue Ruling 2006-57. Consequently, Treasury and the IRS delayed the effective

date of Revenue Ruling 2006-57 until January 1, 2009. See Notice 2007-76, 2007-40 I.R.B. 735. In 2008, Treasury and the IRS further delayed the effective date of Revenue Ruling 2006-57 until January 1, 2010. See Notice 2008-74, 2008-38 I.R.B. 718. And, in 2009, Treasury and the IRS delayed the effective date of Revenue Ruling 2006-57 until January 1, 2011. See Notice 2009-95, 2009-92 I.R.B. 968. Certain transit systems need additional time to complete the process of adapting their technology to achieve compatibility with the requirements for vouchers. Therefore, the ruling's effective date is further delayed until January 1, 2012. Nevertheless, employers and employees may rely on Revenue Ruling 2006-57 with respect to transactions occurring prior to January 1, 2012.

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