

Health and Welfare Provisions in the American Taxpayer Relief Act of 2012

January 11, 2013

On January 1, 2013, Congress passed the American Taxpayer Relief Act (the "Act") to avert the so-called "fiscal cliff" of automatic tax increases and spending cuts that became effective on that date. The Act contains several health and welfare related provisions, including the following:

Transportation Expenses: The Act retroactively reinstates a higher pre-tax allowance for qualified employer-provided transit benefits for 2012 and extends it through December 31, 2013. The higher pre-tax allowance was part of the American Recovery and Reinvestment Act of 2009, which increased the monthly limit for employer-provided transit benefits to equal the limit for qualified parking benefits until the end of 2011.

Permanent Extensions of EGTRRA Educational Assistance, Adoption Assistance and Dependent Care Tax Benefits: The Act permanently extends certain provisions that were subject to the sunset provision under the Economic Growth and Tax Relief Reconciliation Act of 2001 ("EGTRRA"), including income exclusions for employer-provided educational and adoption assistance benefits, and provisions relating to dependent care tax benefits.

Repeal of the Class Act: The Act repeals the Community Living Assistance Services and Supports Act, which was created under the PPACA, and establishes a Commission on Long-Term Care to develop a plan for the establishment, implementation, and financing of a comprehensive, coordinated, and high-quality system that ensures the availability of long-term services and supports for affected individuals. The American Taxpayer Relief Act of 2012 can be found [here](#).