
February 20, 2019

Internal Revenue Service

Comments on Notice 2018-99

Parking Expenses for Qualified Transportation Fringes Under § 274(a)(4) and § 512(a)(7) of the Internal Revenue Code

Via email

Dear Sir or Madam,

The National Rural Electric Cooperative Association (NRECA) is the national service organization for America's Electric Cooperatives. The nation's member-owned, not-for-profit electric co-ops constitute a unique sector of the electric utility industry – and face a unique set of challenges. NRECA represents the interests of the nation's more than 900 rural electric utilities responsible for keeping the lights on for more than 42 million people across 47 states. Electric cooperatives are driven by their purpose to power communities and empower their members to improve their quality of life. Affordable electricity is the lifeblood of the American economy, and for 75 years electric co-ops have been proud to keep the lights on. Because of their critical role in providing affordable, reliable, and universally accessible electric service, electric cooperatives are vital to the economic health of the communities they serve.

America's Electric Cooperatives serve 56 percent of the nation, 88 percent of all counties, and 12 percent of the nation's electric customers, while accounting for approximately 11 percent of all electric energy sold in the United States. NRECA's member cooperatives include 63 generation and transmission (G&T) cooperatives and 834 distribution cooperatives. The G&Ts are owned by the distribution cooperatives they serve. The G&Ts generate and transmit power to nearly 80 percent of the distribution cooperatives, those cooperatives that provide power directly to the end-of-the-line consumer-owners. Remaining distribution cooperatives receive power directly from other generation sources within the electric utility sector. NRECA members account for about five percent of national generation and, on net, generate approximately 50 percent of the electric energy they sell and purchase the remaining 50 percent from non-NRECA members. Both distribution and G&T cooperatives share an obligation to serve their members by providing safe, reliable, and affordable electric service.

Secure Lots Which Store Utility Specific Vehicles and Inventory Should be excluded from the Definition of Qualified Parking

Electric cooperatives frequently have areas in which they store inventory as well as provide parking for bucket trucks and specialized utility vehicles. Employees may be allowed to park in these areas as

well. Because of security and safety concerns, such lots are secured with fencing and gated access and are not made available to the public.

We respectfully request that equipment and inventory yards of this nature be excluded from the designation of a qualified parking area. Parking in these areas is non-compensatory in nature and is solely a function of utility operations.

Parking for Utility Vehicles That May be Used for Commuting Purposes

We believe that parking associated with any utility vehicles which may be used for commuting by electric cooperative employees, provided the employees recognize taxable income as a consequence of such commuting, should be excluded from the definition of employee parking.

Geographic Location

Notice 2018-99 mentions that parking in the same geographic location may be considered one parking area. The Notice provides an example of different parking lots at the same campus and parking at another office in another town as a separate geographic location. However, the example in the Notice implies that if the parking is in the same town but not at the same campus, then it is not at the same geographic location. It is not uncommon for electric cooperatives to have several buildings in different areas of town that serve different functions such as one location for a headquarters building and an operations center located in a different building in the same town.

We believe that multiple offices of an electric cooperative in the same geographic area should be considered a single campus for purposes of the Notice.

We appreciate the opportunity to comment on this important issue. If you have any questions, please don't hesitate to contact me at via email at russell.wasson@nreca.coop or by phone at (703) 402-2510.

Warm regards,



Russell Wasson

Senior Director of Tax, Finance and Accounting Policy

The National Rural Electric Cooperative Association