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KPMG report: Tax rules for parking deductions, increased UBTI

The tax rules for parking expenses have changed for taxable and tax-exempt entities.

The U.S. tax law originally named the "Tax Cuts and Jobs Act" (TCJA) made several sweeping changes to both section 274, curtailing many common benefit deductions for taxable entities, and similar provisions for tax-exempt entities, increasing unrelated business taxable income (UBTI) under section 512(a)(7) for qualified parking benefit expenses. In particular, the TCJA reduces or eliminates deductions related to expenses for meals, entertainment, amusement, or recreation activities, and qualified transportation fringe benefits (including parking) for expenses paid or incurred on or after January 1, 2018 (irrespective of the tax year).

The IRS issued Notice 2018-99 as initial guidance on the potential limitations and increased UBTI related to qualified parking expenses.

Read a **February 2019 report** [PDF 132 KB] prepared by KPMG LLP: *What's News in Tax: Notice 2018-99: Tax Reform Curbs Parking Deductions and Increases UBTI*

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