**Why are parking permits paid via payroll deduction changing to a post-tax deduction?**

**Tell Me**

A tax reform bill (H.R.1, or the Tax Cuts and Jobs Act) was signed into law on Dec. 22, 2017. Many of the provisions are effective for the 2018 tax year. While the bill affects many aspects of tax law, these Tax Reform FAQ pages highlight a few changes that may impact UNC Charlotte employees. The Tax Office cannot provide tax advice regarding individual tax return questions or filings.

A provision in the new tax bill would require the University to recognize a substantial tax liability related to offering parking permits on a pre-tax basis to employees.

1. All parking deductions will change from a pre-tax to a post-tax deduction starting with your Feb. 15 paycheck.
2. If you pay for your parking permit via a payroll deduction, you should see a slight increase in tax withholdings (federal, state, and FICA) related to this change, starting with your Feb. 15 paycheck.
3. Note that there will be no retroactive changes related to any pre-tax parking deductions processed on prior paychecks.

No action on your part is needed. There will be no changes to the terms or conditions of your parking permit as a result of this tax change.

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**Related FAQs**

- [Will moving expense reimbursements/allowances be taxable due to the tax reform bill?](#)
- [Will changes be made to University Policy 602.11, Gifts, Awards, and Prizes due to the tax reform bill?](#)
- [Do I need to update my withholding allowance certificate due to the new tax reform bill?](#)
- [Why are parking permits paid via payroll deduction changing to a post-tax deduction?](#)