PCAC
PERMANENT CITIZENS
ADVISORY COMMITTEE TO THE MTA

2 Broadway, 16th Floor, New York, NY 10004
(212) 878-7087 mail@pcac.org

PCAC Operating Funding Tool
MTA Revenue Sources and Budget
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Background

The MTA is facing a huge deficit that, if not addressed, will lead to devastating cuts in bus, subway, and rail service and/or crippling fare increases – any of which would significantly hinder the return of riders to transit and have far-reaching negative consequences for the regional economy and for riders themselves.

The MTA relied significantly on riders and their farebox revenue for its operating funds pre-COVID; with less than 60 percent of sustained ridership in 2022, it is clear that there is an urgent need for a new funding paradigm and new dedicated operating funding sources.

New funding sources should be stable, providing revenue during periods of economic growth and downturn, administratively easy to implement, equitable, not overburdensome to people with lower incomes, incentivize using transit, and have political acceptance.[1] Revenue streams should be regularly adjusted for growth, such as by indexing rates to inflation, to keep pace with increasing operating costs.[2] [3]

MTA CFO Kevin Willens has noted that the agency is planning to take action to use federal funds to reduce its deficit in the earlier years, allowing it to also decrease its debt: $558 million in debt service costs will be eliminated by using a portion of ARPA funds to repay Federal Reserve Municipal Liquidity Facility Bond Anticipation Notes at maturity with cash instead of long-term bonding the loan.[4]

The remainder of ARPA funds would offset portions of the 2023 deficit, and reduce the debt and liability costs each subsequent year: $4.365 billion of the $5.62 billion in ARPA funds left will reduce deficits between 2023 and 2026, with the remaining $1.255 billion to cover deficits from 2027 and on.[5]

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[1] https://conservancy.umn.edu/bitstream/handle/11299/182672/SustainableFunding.pdf?sequence=1&isAllowed=y

[2] https://www.cmap.illinois.gov/documents/10180/965719/FY19-0032+PRINCIPLES+FOR+SUSTAINABLE+TRANSPORT+FUNDING+ONE+PAGER_FINAL.pdf/47df9400-6a19-8424-2830-26be8b159650

[3] https://www.cmap.illinois.gov/2050/mobility/transportation-funding

[4] https://new.mta.info/document/102796#page=5

[5] https://new.mta.info/document/101131#page=27

To cover part of the deficit, the Financial Plan increases the planned 2023 fare and toll hikes from 4 percent to 5.5 percent, which will raise $350 million between 2023 and 2026. Another key element of the MTA's plan to reduce its deficit is savings from efficiencies. The 2023 adopted budget includes $1.508 billion in total operating efficiencies, including $144 million in 2023, $448 million in 2024, $454 million in 2025, and $462 million in 2026.[6] [7]

Even with these efforts, there would be $4.651 billion in remaining deficits from 2023 to 2026, with deficits of $600 million in 2023, $1.19 billion in 2024, $1.239 billion in 2025, and $1.622 billion in 2026. The MTA is currently trying to fill the gap in 2023 with a combination of city, state, and federal actions, along with additional cost savings.[8]

The Governor's Executive Budget proposals for 2024 include new revenue to fill the MTA's budget gaps through 2026. The top rate for the Payroll Mobility Tax (PMT) would increase from 0.34 percent to 0.5 percent, and the rate for self-employment would increase from 0.34 percent to 0.42 percent for 2023, and to 0.5 percent in 2024, raising $800 million a year.[9] New York City would be required to contribute $500 million, including the complete cost of paratransit service, at approximately $285 million a year, and the full cost of providing free MetroCards for students, for about $100 million a year. An additional $115 million a year would be raised by requiring the city to match 47 percent of the state's contribution to offset the lost revenue from employers exempt from paying the PMT.[10] In addition, the state would provide $300 million in one-time aid for 2023 from general revenues. The Governor's Executive Budget proposal also adds $150 million a year in additional safety costs for the MTA.[11]

Revenue from some casino taxes and fees in 2026 or later would be directed to the MTA, raising between $462 and $826 million a year; the MTA would also get a share of $1.5 billion in licensing fees for three downstate casino licenses.[12] [13]

There is also a major risk that the deficits could increase by hundreds of millions per year if ridership only returns at McKinsey's low case estimate, if the economy enters a recession, and with increased inflation.[14]

Other transit agencies around the country are struggling with the same problem the MTA is facing; some agencies are looking for ways to attract new riders by adjusting

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[6] https://new.mta.info/document/101131#page=7

[7] https://new.mta.info/document/101141#page=27

[8] https://new.mta.info/document/101131#page=8

[9] https://www.budget.ny.gov/pubs/archive/fy24/ex/artvii/ted-memo.pdf#page=23

[10] https://www.budget.ny.gov/pubs/archive/fy24/ex/artvii/ted-memo.pdf#page=15

[11] https://www.budget.ny.gov/pubs/archive/fy24/ex/book/briefingbook.pdf#page=145

[12] https://www.budget.ny.gov/pubs/archive/fy24/ex/book/briefingbook.pdf#page=145

[13] https://www.budget.ny.gov/pubs/archive/fy24/ex/artvii/ted-memo.pdf#page=24

[14] https://new.mta.info/document/91721#page=12

fares and schedules, and some agencies are looking for new revenue sources.[15] [16] The MTA needs to actively look for ways to increase ridership, and hence revenue, and cut operating costs on its own – while it also needs help through sustainable, dedicated operating revenue sources from the state.

Ways to tackle the deficit
Given looming deficits and uncertain funding scenarios, it is crucial that the Governor's Executive Budget proposals jumpstart a serious discussion on how best to sustainably fund the MTA's operations. At the same time, the MTA must conduct a closer examination to identify additional cost-savings from cutting redundancies and inefficient practices, instead of over-relying on fare hikes, service cuts and layoffs – which can spark a death spiral of depressed ridership, lost revenue, more service cuts and layoffs, etcetera.

Transit is an essential service, something borne out daily during the pandemic, and must be funded as such; the challenge is finding the right combination of progressive and sustainable sources that can be apportioned within and outside the 12-county MTA region.

Funding source recommendations for consideration and discussion follow:

Federal Funding
The MTA serves 40 percent of the nation's transit riders, yet receives just 16 percent of federal operating funding. The MTA has expressed concerns about risking federal capital funds if it pursues operating funds, but arguments can and should be made for adjusting the federal funding formula to fairly reflect the MTA's proportion of transit riders. Senator Schumer has alluded to the potential for additional federal COVID-relief-style funds in the coming years; a regular infusion of federal funding that would consistently apportion those funds would be ideal.

Dedicated Lockbox State Funding
The Governor has proposed $300 million in emergency funding for the MTA in her FY2023-24 Executive Budget. That should be the starting point for an annual funding allocation, adjusted for inflation and lockboxed. Transit and the service it provides should receive additional dedicated allocations from the state that increase annually and are baselined, with each system receiving a portion based on ridership/share, then set aside in a lockbox specifically for operating funds across transit systems.,.

Taxes on wealthy
Across the state, $12 to $18 billion a year could be raised by implementing a progressive income tax that would increase rates for single taxpayers making over $300,000 a year, and married taxpayers making over $450,000 a year.[17] $7 billion a

[15] https://www.governing.com/now/for-mass-transit-agencies-a-fiscal-cliff-looms

[16] https://www.governing.com/now/for-mass-transit-agencies-a-fiscal-cliff-looms-part-ii

[17] https://www.nysenate.gov/legislation/bills/2021/s2622

year could be raised through a capital gains tax,[18] and $8 billion a year could be raised through a progressive tax on inheritances of over $250,000.[19] $9 billion a year could be raised by raising corporate taxes at the state level to offset the decrease in corporate taxes from the 2017 Federal tax cuts.[20] Taxing billionaires' wealth gains at income tax rates could raise $23.3 billion in the first year, and $1.2 billion a year afterwards.[21] About $600 million a year could be raised by creating a new city personal income tax bracket for high-income earners.[22]

VMT tax

Given that gas tax receipts will continue to decrease as electric vehicle use increases, the state should consider a vehicle miles traveled (VMT) fee. With GPS, it would be possible to implement variable charges based on time of day, vehicle type, weight, or the particular road or bridge used. The cost per mile could be lower in areas with fewer transit alternatives, but higher in areas with more options and with higher costs from congestion, and noise and air pollution. Having a variable rate could significantly reduce road congestion. The VMT rate could be in addition to or replace the gas tax, and could be set to gain billions in revenue.[23] [24]

Parking pricing

Pricing only half of on-street spaces in New York City—the majority of which are currently free — with an average revenue of $5.50 a day per space could raise $3 billion a year.[25] [26] Parking prices would be based on demand, with higher rates in busier areas like Midtown Manhattan.[27] [28]

Tolls

Additional money could be raised by increasing tolls at MTA Bridge and Tunnel facilities at higher rates than the planned 5.5 percent increases in 2023, and the planned 4 percent increase in 2025.[29] Increasing tolls by adding a toll of $2.49, which is equal to half the social cost of PM2.5 and NOx pollutants, would raise $596 million a year at existing facilities, and more if also added to CBD tolling facilities.[30]

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[18] https://www.nysenate.gov/legislation/bills/2023/S2162

[19] https://www.nysenate.gov/legislation/bills/2023/S2782

[20] https://www.nysenate.gov/legislation/bills/2023/S1980

[21] https://www.nysenate.gov/legislation/bills/2023/S1570

[22] http://council.nyc.gov/wp-content/uploads/2019/07/LetsGo_TransitReport_05.pdf#page=47

[23] https://cbcny.org/research/switching-gears

[24] https://cbcny.org/research/more-fare

[25] https://gothamist.com/news/beginning-end-free-parking-nyc

[26] https://www.nytimes.com/2018/06/18/opinion/a-fix-for-new-yorks-parking-problems.html

[27] https://www.sfmta.com/getting-around/drive-park/demand-responsive-pricing/sfpark-evaluation

[28] http://www.miamidade.gov/citt/library/strategic-financial-studies/2010/revenue-enhancement-opportunities-12-16-10.pdf

[29] https://new.mta.info/document/76706#page=8

[30] https://ibo.nyc.ny.us/iboreports/2022-may-all.pdf#page=87

Tolls could also be levied on existing highways. Connecticut found that implementing tolls on Interstate 95, and possibly also Route 15, could raise between $260 million and $367 million a year, depending on the specifics of the proposal.[31] [32] [33] Finally, raising tolls to increase the amount of revenue collected per registered vehicle from New York State Thruway Authority tolls from $229 to New Jersey's level of $312 could raise $919 million a year.[34]

Carbon tax

$10 to $15 billion a year could be raised by charging a $55 fee per ton of fossil fuel emissions, as was proposed in the Climate Community Investment Act.[35] [36] While the bill allocated this revenue to fund renewable energy projects, to help impacted communities, and to offset any increase in fuel prices, a potential carbon tax bill could also provide funding for transit.[37] [38] [39]

Car fees

Raising New York's car fees per registered vehicle from $164 to $317, to be in line with Vermont, could raise $1.7 billion, with $468 million available for transit under existing formulas.[40] Increasing the city's biannual registered vehicle fee from $30 to $40 for vehicles weighing less than 3,500 pounds, and $100 for vehicles weighing more than that, would raise $36 million a year. Adding a $21 a year surcharge for large vehicles could raise $22.4 million.[41]

Gas tax

Increasing New York's gas tax could help fund transit to keep up with the decline in revenue. With vehicles becoming more fuel efficient, the fuel tax receipts per mile driven have decreased 51 percent between 1993 and 2018.[42] In January 2022, New York's total gas tax of 66.62 cents a gallon ranked 9th in the nation,[43] though this is much lower than it is in other countries, including $1.79 in New Zealand, $2.82 in the United

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[31] https://www.vtpi.org/tranfund.pdf#page=8

[32] https://www.dotdata.ct.gov/ct_congestion_site/documents/final/I-95%20Corridor%20Congestion%20Relief%20Study%20-%20Executive%20Summary.pdf#page=17

[33] https://www.dotdata.ct.gov/ct_congestion_site/documents/final/FULL%20PDF%20OF%20FINAL%20REPORT.pdf

[34] https://cbcny.org/research/building-sound-fiscal-future-new-yorks-highway-and-mass-transit-systems

[35] https://nap.nationalacademies.org/download/14187

[36] https://www.nysfocus.com/2021/12/22/build-back-better-failure-new-york-climate-leadership-community-protection-act/

[37] https://citylimits.org/2022/01/07/gov-hochul-sets-bold-climate-goals-but-advocates-push-for-funding-commitments/

[38] https://newrepublic.com/article/162676/democrats-control-new-york-cant-even-pass-climate-legislation

[39] https://www.cityandstateny.com/policy/2021/04/climate-bill-would-tax-carbon-in-new-york/182942/

[40] https://cbcny.org/research/building-sound-fiscal-future-new-yorks-highway-and-mass-transit-systems

[41] https://ibo.nyc.ny.us/iboreports/2022-may-all.pdf#page=96

[42] https://cbcny.org/research/building-sound-fiscal-future-new-yorks-highway-and-mass-transit-systems

[43] https://www.api.org/oil-and-natural-gas/consumer-information/motor-fuel-taxes/gasoline-tax

Kingdom, and $3.36 in the Netherlands.[44] In July 2022, the state declared a "gas tax holiday" and suspended collection of the gas tax; the money that would have been raised and dedicated to the MTA was made up using alternate funds from the state's budget. Although not included in the Governor's Executive Budget, if the gas tax remains suspended, the alternative funding source should become a dedicated funding stream with a built-in annual increase to more than compensate for the lost funds, but also to make up for the environmental consequences of driving.

Business taxes

$1 billion a year could be obtained by increasing the city's General Corporation and Unincorporated Business taxes.[45] Extending the General Corporation Tax to insurance company income could raise $510 million a year, but could risk leading insurance companies moving outside the city to avoid retaliatory taxes.[46] $160 million a year could be raised by taxing carried interest under the city's Unincorporated Business tax.[47] Increasing the corporate franchise tax surcharge, which is currently levied for business in the MTA region, just within New York City from 28.9 to 64 percent could raise $1 billion,[48] while $300 million could be raised by implementing a 4 percent corporate tax surcharge to the corporate franchise tax.[49]

Sales tax

Increasing the portion of the sales tax in New York City that goes to the MTA from 0.375 percent to 0.75 percent could raise about $1 billion.[50] Understandably, high rates of inflation makes this unpalatable for the population at large. However, a more narrowly targeted increase in the sales tax on luxury items, such as that introduced in a bill in the state Assembly to help fund SUNY and CUNY in 2021, could be more palatable.[51]

Real estate taxes

$232 million a year could be raised by increasing taxes on properties used as second homes over certain property values.[52] Implementing a mansion tax on the city level could raise $270 million a year.[53] Extending the city's mortgage recording tax to co-ops could raise over $95 million a year, and about 50 percent more if the state MRT was also extended to co-ops.[54]

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[44] https://taxfoundation.org/oecd-gas-tax/

[45] https://ibo.nyc.ny.us/iboreports/2022-may-all.pdf#page=65

[46] http://council.nyc.gov/wp-content/uploads/2019/07/LetsGo_TransitReport_05.pdf#page=47

[47] https://ibo.nyc.ny.us/iboreports/2022-may-all.pdf#page=69

[48] http://council.nyc.gov/wp-content/uploads/2019/07/LetsGo_TransitReport_05.pdf#page=47

[49] https://www.nysenate.gov/sites/default/files/fiscal_policy_institute.21.pdf#page=10

[50] http://council.nyc.gov/wp-content/uploads/2019/07/LetsGo_TransitReport_05.pdf#page=47

[51] https://nyassembly.gov/leg/?default_fld=&leg_video=&bn=A03079&term=0&Summary=Y&Actions=Y&Floor%26nbspVotes=Y&Memo=Y&Text=Y

[52] https://ibo.nyc.ny.us/iboreports/2022-may-all.pdf#page=47

[53] https://ibo.nyc.ny.us/iboreports/2022-may-all.pdf#page=51

[54] https://ibo.nyc.ny.us/iboreports/2022-may-all.pdf#page=50

Raising the Real Property Transfer Tax on properties over $5 million to a level so that their combined RPTT and Mortgage Recording Tax rates would not be lower than rates for residential properties could raise $600 million. Replacing the Mortgage Recording Tax with a progressively structured transfer tax could raise an additional $400 million.[55] $24 million a year for the MTA and $36 million for New York City could be raised by eliminating the exemption for transfers of properties from nonprofits to or from for-profit entities.[56]

Excise taxes
Increasing the sales tax for alcohol sales in New York City by 3 percent could raise $150 million a year, while doubling the city's alcohol and liquor taxes, and including wine and other liquor under 24 percent alcohol content under the excise tax could raise $35 million a year. $288 million a year could be raised with a tax of 1 cent per ounce of sweetened beverages.[57]

PILOTs
Under New York state law, real property owned or used by private higher education institutions and hospitals is exempt from the city's real property tax. Implementing PILOTs for private hospitals and higher education institutions in New York City equal to 66 percent of their tax liability could raise $147 million a year if applied only to faculty, staff, and student housing, or $842 million for all exemptions.[58]

Passenger car rentals and Hailed Vehicle Trips
Currently, $43.5 million a year is raised from a 6 percent tax on passenger car rentals in the MTA region; an additional $9.8 million is raised from a 50-cent tax on hailed vehicle trips in the MTA region.[59] [60] These rates could be potentially increased, although consideration would have to be given to hailed vehicle trips in the context of Congestion Pricing and the overall fee structure.

Parking tax
Currently, there is a 10.375 percent tax on parking in a garage or parking lot in New York City. While there is an additional tax of 8 percent Manhattan, local residents are exempted from this.[61] Eliminating this exemption would raise $19 million a year. Additional revenue could be generated by increasing the rate in Manhattan and the rest of the city.[62]

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[55] http://council.nyc.gov/wp-content/uploads/2019/07/LetsGo_TransitReport_05.pdf#page=47

[56] https://ibo.nyc.ny.us/iboreports/2022-may-all.pdf#page=53

[57] https://ibo.nyc.ny.us/iboreports/2022-may-all.pdf#page=71

[58] https://ibo.nyc.ny.us/iboreports/2022-may-all.pdf#page=60

[59] https://ibo.nyc.ny.us/iboreports/trouble-ahead-trouble-behind-the-impact-of-declining-dedicated-tax-revenue-on%20-mta-finances-fiscal-brief-july-2020.html

[60] https://www.osc.state.ny.us/files/reports/finance/cash-basis/excel/cash-basis-exhibits-combined-2021.xlsx

[61] https://www.tax.ny.gov/bus/st/parking_nyc.htm

[62] https://ibo.nyc.ny.us/iboreports/2022-may-all.pdf

Discounted bulk transit passes
The MTA could increase its sale of transit passes to employers, universities, and/or housing developments at a discounted rate in bulk, who would purchase enough passes for everyone in the group, regardless of whether they already used transit, and offer them for free or a reduced cost.[63] The transit agency would get the same level or an increased level of revenue as it did earlier, and additional revenue could be guaranteed.[64] [65] [66]

Concessions/advertising revenues
The MTA projects it will get $156 million in advertising revenue, and $106 million from rental income for 2022.[67] Though the ability to increase revenue from concessions and advertising is somewhat limited, the MTA should look to maximize its opportunities to do so. Lowering rents and making use of unused space in station mezzanines would allow the MTA to gain revenue from space in stations, and also place more eyes in stations, making riders feel safer in the wake of several high-profile crimes in the system. It could also increase fare revenue by giving non-riders more reasons to enter the transit system, encouraging them to start riding more frequently.[68] [69]

Reusing groundwater
The MTA should look to make use of some of the 13 million gallons of water that are pumped out of the subway on a dry day.[70] In 2008, a Water Report by the MTA Blue Ribbon Commission on Sustainability recommended the MTA consider using the water near its facilities to cool underground electrical and signal equipment, to be used to wash vehicles, or be sold to businesses near the MTA right-of-way. This would reduce the agency's water purchasing and electric bills while passing less water to the sewer system.[71]

Energy Costs and Energy Opportunities
The July Financial Plan noted major increases in energy (and power) costs over the February plan that present both costs and opportunities for the MTA; these were further validated in the December Plan:

The Plan noted a 22.5 percent increase in electric power costs ($454 million), 29.1 percent increase in fuel costs ($223 million) for 2022 to 2025 between plans; over the

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[63] https://econsultsolutions.com/septa-key-advantage/

[64] http://milehighconnects.org/wp-content/uploads/2015/01/RTD-Pass-Program-Report-2015.pdf#page=14

[65] http://milehighconnects.org/wp-content/uploads/2015/01/RTD-Pass-Program-Report-2015.pdf#page=21

[66] https://www.vtpi.org/tranfund.pdf#page=14

[67] https://new.mta.info/document/101136#page=35

[68] http://www.miamidade.gov/citt/library/strategic-financial-studies/2010/revenue-enhancement-opportunities-12-16-10.pdf

[69] https://pdfs.semanticscholar.org/90bd/e4f42750c7a4b6e6b9836d70b30c16d11283.pdf

[70] https://www.nytimes.com/2018/02/12/nyregion/water-nyc-subway.html

[71] https://web.archive.org/web/20101217172518/http:/www.mta.info/sustainability/pdf/MTA%20Water%20Report%2010%2029%2008.pdf, https://new.mta.info/document/2331

course of the whole plan, electric power costs increase 44.9 percent, from $430 million in 2022 to $623 million in 2026, with fuel costs projected to increase $163 million 2021 to $281 million in 2022, back down to $209 million for 2026 – a 28.2 percent increase.[72]

The adopted December Plan had $8 million more in electric power and fuel costs between 2022 and 2025 over the July Plan (with a $41 million decrease in electric power costs for 2022). For 2026, electric power costs are $11 million greater, and fuel costs are $12 million greater.[73] [74] [75]

The MTA has the opportunity to continue and expand its efforts to implement energy storage systems to capture energy saved via regenerative braking, which could save energy and reduce peak demand. Implementing these systems could increase energy and demand savings from 8 percent to 35 percent.[76] [77]

The MTA should also resume its solar initiative, which as, Janno Lieber has said, would generate "a significant amount of new revenue"[78] for the agency and help provide renewable energy for 18,000 households. The MTA has found that it has over 10 million square feet of industrial roof space that would be suitable for solar development.[79] In 2019, the MTA Solar program put out seven Requests for Proposal, but there has been no movement on this initiative. Installing solar could be relatively cost-neutral since the MTA would be leasing already-idle space to companies for solar installation, with energy generated being offloaded to the grid.[80] In addition, the MTA could look for opportunities for solar panel installations at MTA outdoor stations that could help power station needs such as lighting, digital signs, and turnstiles.

The MTA should consider reevaluating its potential to implement wind power at feasible locations on its properties as the cost of wind power has significantly decreased over the years. A 2008 report found that the total near-term cost-effective self-generation wind potential on MTA properties was between 246 and 356 MWh per hour. It found the cost of implementing wind power at sites in the Rockaways, in Coney Island, and on Long Island's East End would cost $1.3 to $1.8 million.[81] Since then, the cost of producing energy from wind has gone down significantly—from $1,800/kilowatt in 2008

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[72] https://new.mta.info/document/91776#page=9

[73] https://new.mta.info/document/76706#page=14

[74] https://new.mta.info/document/91776#page=15

[75] https://new.mta.info/document/101136#page=137

[76] https://www.governor.ny.gov/sites/default/files/atoms/files/SOTS2021Book_Final.pdf#page=143

[77] https://www.coned.com/-/media/files/coned/documents/our-energy-future/our-energy-projects/regenerative-braking-energy-recuperation.pdf

[78] https://www.amny.com/transit/mta-solar-panels-1.30124625/

[79] https://www.mta.info/press-release/mta-headquarters/mta-launching-new-solar-roof-initiative-generate-green-energy-and-new

[80] https://new.mta.info/document/10461#page=21

[81] https://web.archive.org/web/20101217172520/http:/www.mta.info/sustainability/pdf/MTA%20Renewable%20Energy%20Report%2010%2029%2008.pdf

to $770-850/kilowatt in 2021—with the growth of the industry, this would be a potential revenue generator worth pursuing.[82]

Reducing expenditures

Key to garnering elected officials' support for identifying new funding sources is for the MTA to specify efficiencies and spending reductions that do not harm service, as borne out by the so-called "Transformation Plan." There are numerous opportunities for the MTA to help address its budget crisis by looking for annual operating cost savings. As part of the adopted December Financial Plan, the MTA has identified $1.324 billion in additional operating efficiencies, including $100 million in 2023, $400 million in 2024, $408 million in 2025, and $416 million in 2026. The Citizens Budget Commission, in 2021, identified $2.87 billion in potential savings.[83]

Tables and Charts:

The below tables and charts detail the differences in projected ridership and farebox recovery ratios between the February and December 2022 Financial Plans, as well as comparisons of how other peer transit systems fund their operating budgets.

	2022	2023	2024	2025
New York City Transit	77.6%	85.9%	87.4%	87.2%
Long Island Rail Road	71.4%	81.2%	84.1%	85.8%
Metro-North Railroad	66.5%	75.2%	75.7%	76.4%
MTA Bus	79.5%	86.2%	87.6%	87.4%
Staten Island Railway	65.7%	79.5%	80.8%	80.6%
Bridges & Tunnels	100.8 %	101.4 %	101.6%	102.3 %

Table 1: Ridership estimated for 2022 to 2025 as a percentage of 2019 ridership from the February 2022 Financial Plan.[84] [85]

	2022	2023	2024	2025	2026
New York City Transit	60.6%	68.1%	73.8%	76.1%	78.5%
Long Island Rail Road	57.3%	68.1%	76.8%	80.0%	83.1%

[82] https://www.energy.gov/articles/doe-releases-new-reports-highlighting-record-growth-declining-costs-wind-power

[83] https://cbcny.org/research/track-fiscal-stability

[84] https://new.mta.info/document/15221#page=23

[85] https://new.mta.info/document/30186#page=25

Metro-North Railroad	54.0%	62.9%	68.8%	69.6%	70.6%
MTA Bus	67.6%	71.2%	76.7%	79.1%	81.8%
Staten Island Railway	50.0%	60.8%	70.7%	73.2%	75.4%
Bridges & Tunnels	99.0%	99.3%	99.7%	99.9%	100.0 %

Table 2: Ridership estimated for 2022 to 2026 as a percentage of 2019 ridership from the December 2022 Financial Plan.[86] [87] [88] [89]

	2022	2023	2024	2025
New York City Transit	-17.00%	-17.80%	-13.60%	-11.10%
Long Island Rail Road	-14.10%	-13.10%	-7.30%	-5.80%
Metro-North Railroad	-12.50%	-12.30%	-6.90%	-6.80%
MTA Bus	-11.90%	-15.00%	-10.90%	-8.30%
Staten Island Railway	-15.7%	-18.70%	-10.10%	-7.40%
Bridges & Tunnels	-1.60%	-2.10%	-1.90%	-2.40%

Table 3: Decreases in expected ridership recovery from 2019 from the February 2022 Financial Plan to the December 2022 Financial Plan.[90] [91] [92] [93]

	2019	2020	2021	2022	2023	2024	2025	Change from 2019
New York City Transit	36.3%	14.2%	18.0%	26.2%	28.0%	27.6%	26.6%	-27%
Staten Island Railway	8.8%	3.9%	2.7%	5.6%	5.9%	6.0%	5.7%	-35%
Long Island Rail Road	30.3%	10.6%	10.9%	17.9%	19.1%	19.6%	19.3%	-36%
Metro-North Railroad	40.8%	14.0%	13.4%	24.7%	27.4%	27.4%	26.6%	-35%
MTA Bus	21.0%	8.0%	14.6%	16.4%	17.4%	17.7%	17.3%	-18%
MTA-Wide	34.9%	13.2%	16.2%	24.1%	25.8%	25.7%	24.9%	-29%

[86] https://new.mta.info/document/91781#page=31
[87] https://new.mta.info/document/15221#page=23
[88] https://new.mta.info/document/30186#page=25
[89] https://new.mta.info/document/101136#page=33
[90] https://new.mta.info/document/91781#page=31
[91] https://new.mta.info/document/15221#page=23
[92] https://new.mta.info/document/30186#page=25
[93] https://new.mta.info/document/101136#page=33

Table 4: Farebox recovery ratios for 2019 to 2025 from the February 2022 Financial Plan.[94] [95] [96]

	2019	2020	2021	2022	2023	2024	2025	2026	Change from 2019
New York City Transit	36.3%	14.2%	21.9%	21.9%	23.7%	24.3%	24.3%	24.5%	-33%
Staten Island Railway	8.8%	3.9%	3.1%	4.7%	4.7%	5.2%	5.2%	5.3%	-40%
Long Island Rail Road	30.3%	10.6%	13.3%	14.8%	15.3%	16.3%	16.6%	17.2%	-43%
Metro-North Railroad	40.8%	14.0%	14.3%	20.7%	23.2%	22.6%	22.0%	22.0%	-46%
MTA Bus	21.0%	8.0%	15.6%	14.2%	14.8%	14.9%	15.0%	15.2%	-28%
MTA-Wide	34.9%	13.2%	19.7%	20.2%	21.6%	22.1%	22.1%	22.4%	-36%

Table 5: Farebox recovery ratios for 2019 to 2026 from the December 2022 Financial Plan.[97] [98] [99] [100] [101]

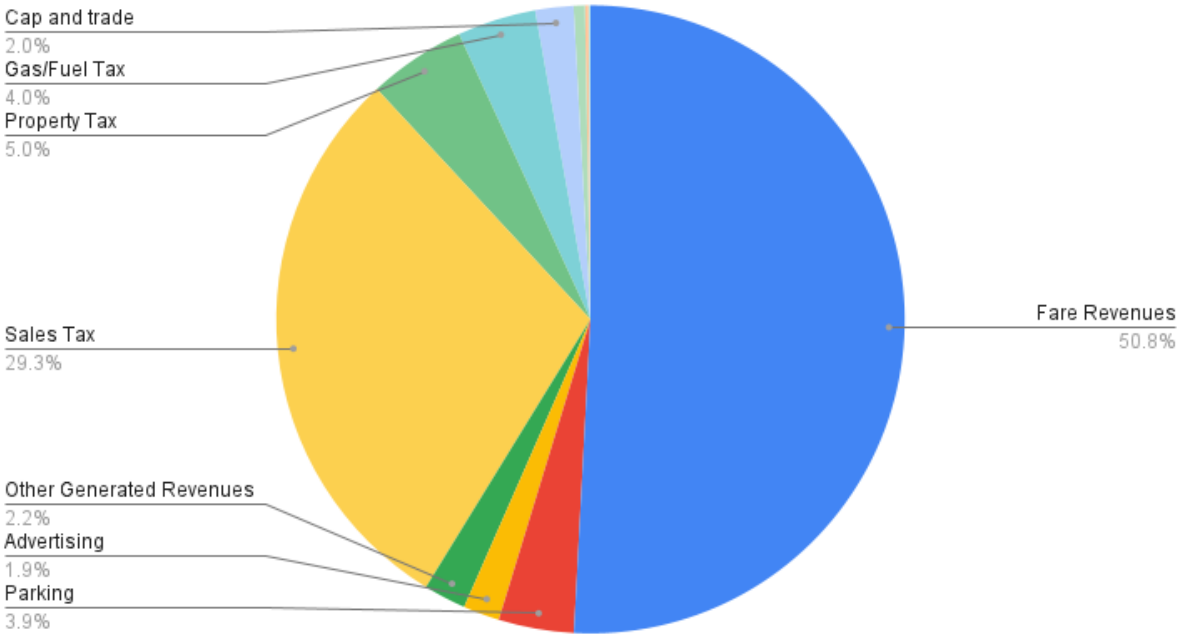
	MBTA	BART	WMATA	LACMTA	RTA Chicago	SEPTA	MTA
Fare Revenues	$671.70	$485.90	$666.31	$302.60	$1,002.36	$473.67	$6,351.00
Parking	$37.70	$37.00	$44.38	$1.60			
Advertising	$28.30	$17.90	$29.04	$24.70		$16.45	
Other Generated Revenues	$24.30	$20.80	$44.91	$33.30	$177.33	$33.57	$706
Tolls				$62.80		$268.58	$2,071.00
Motor vehicle and rental fees						$159.48	$766.60
Dedicated Taxes and Revenues							
Sales Tax	$1,053.20	$280.40		$866	$1,254.16	$264.21	$867.45
Property Tax		$48.00					
Real Estate Transfer Tax					$62.37		
Corporate Franchise Tax							$1,055.59
Real Estate transfer tax/ mortgage recording fees							
Payroll Tax							$1,560.50
Gas and Fuel Taxes		$38.68		$238.50			$561.34
Cap and trade		$18.79		$33			
Lottery						$42.57	

[94] https://new.mta.info/document/30186#page=22
[95] https://new.mta.info/document/15221#page=20
[96] https://new.mta.info/document/76706#page=20
[97] https://new.mta.info/document/30186#page=22
[98] https://new.mta.info/document/15221#page=20
[99] https://new.mta.info/document/76706#page=20
[100] https://new.mta.info/document/91781#page=12
[101] https://new.mta.info/document/101136#page=12

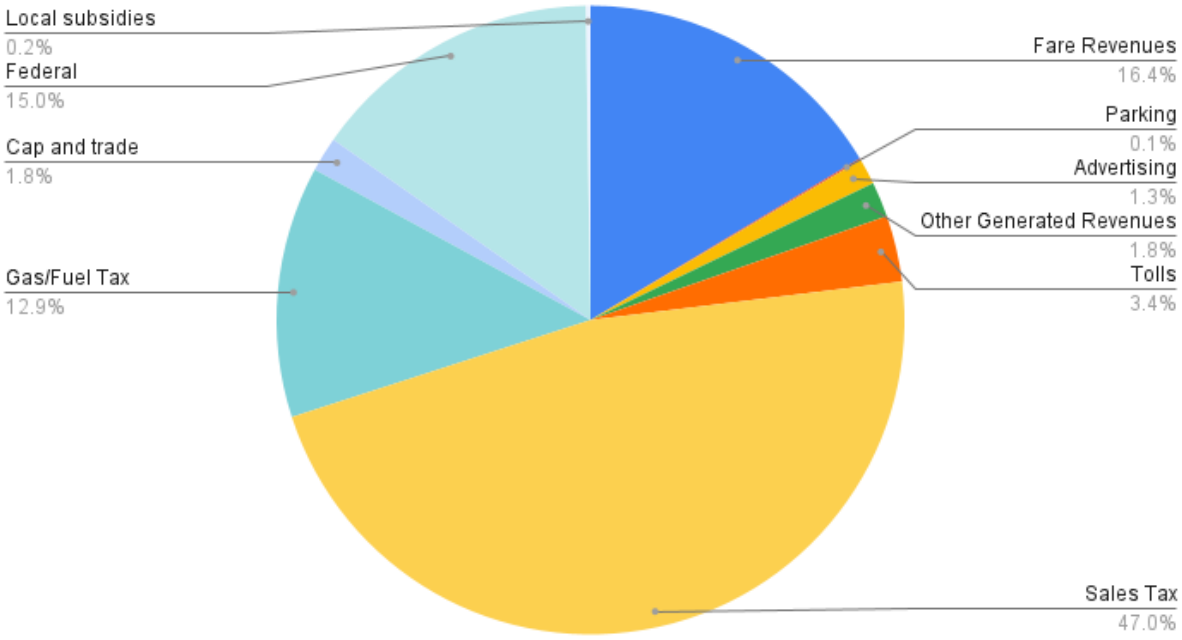
State Transportation Fund					$512.29		
Local funds	$170.10	$5.51	$1,081				
Other revenue	$57.20	$1.71			$15.38	$34.76	$15.39
Federal		$1.01		$277.10	$8.19	$83.41	
Local subsidies				$4.60		$100.67	$968.60
State subsidies	$127.00				$8.40		$392.80

Chart: 2019 operating revenues for agency in millions of dollars

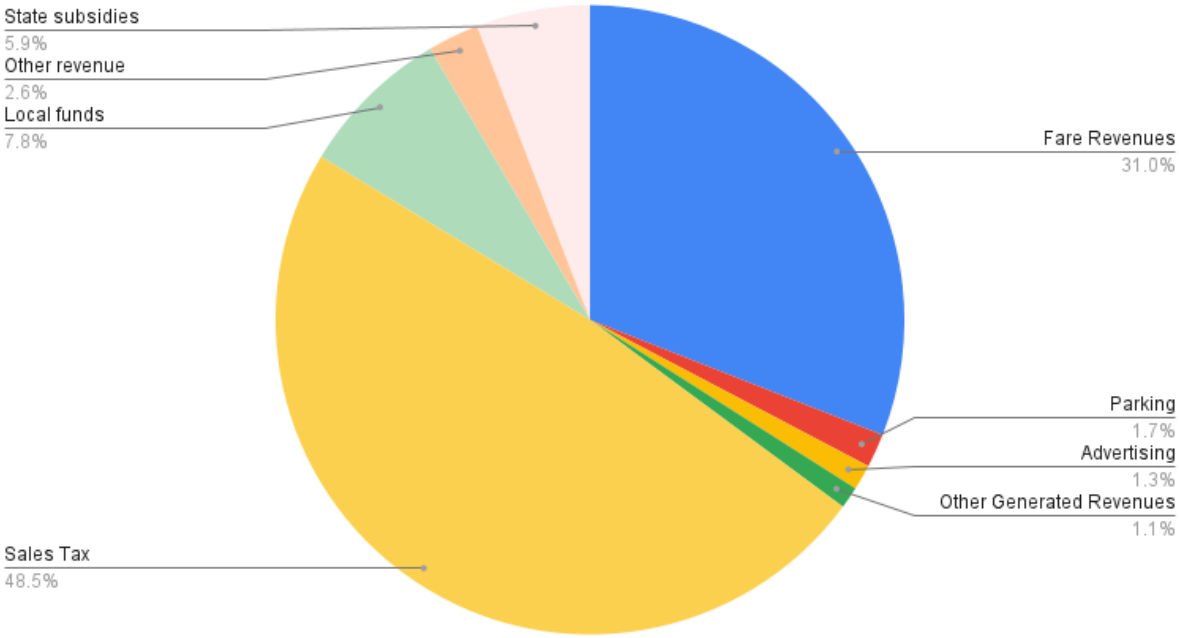
BART Operating Revenues 2019



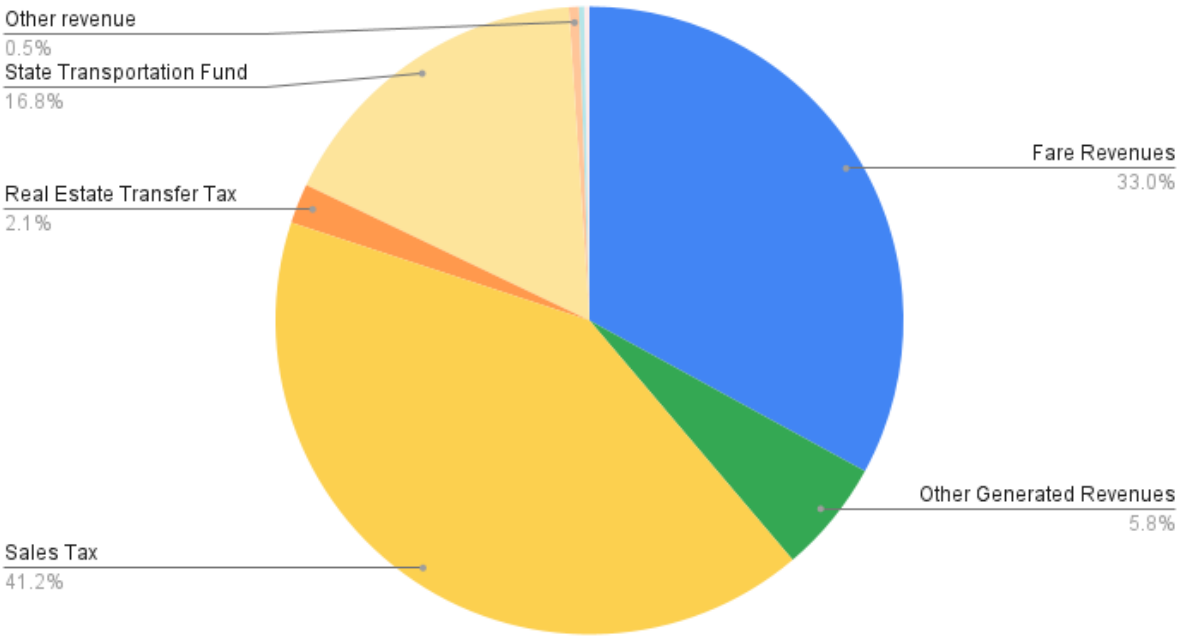
LACMTA Operating Revenues 2019



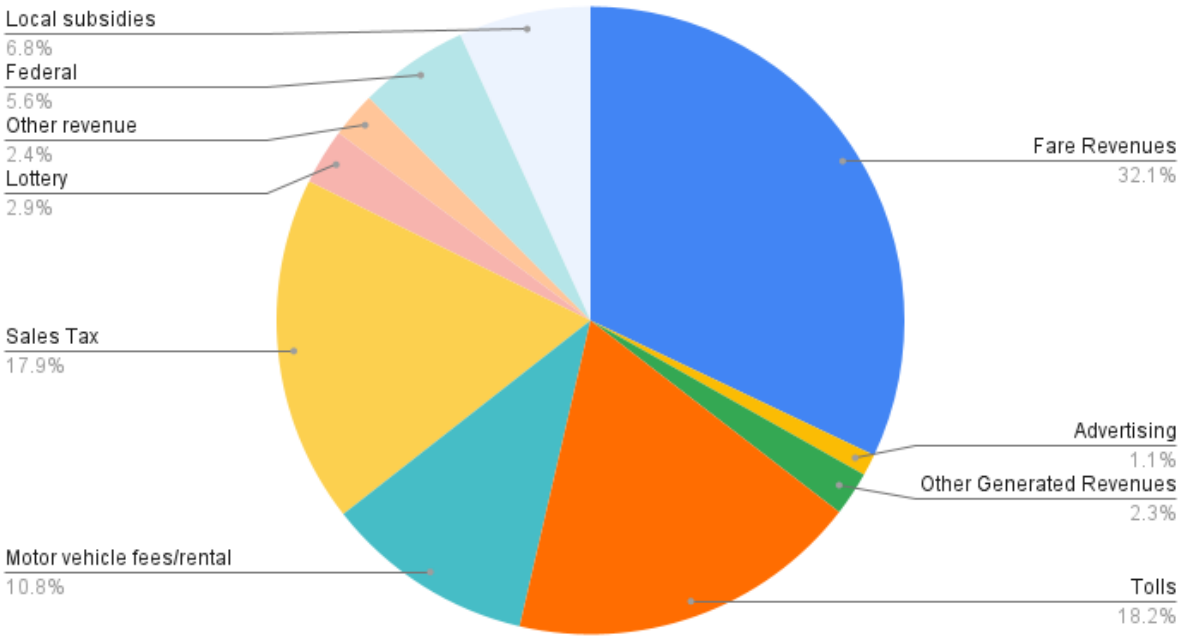
MBTA Operating Revenues 2019



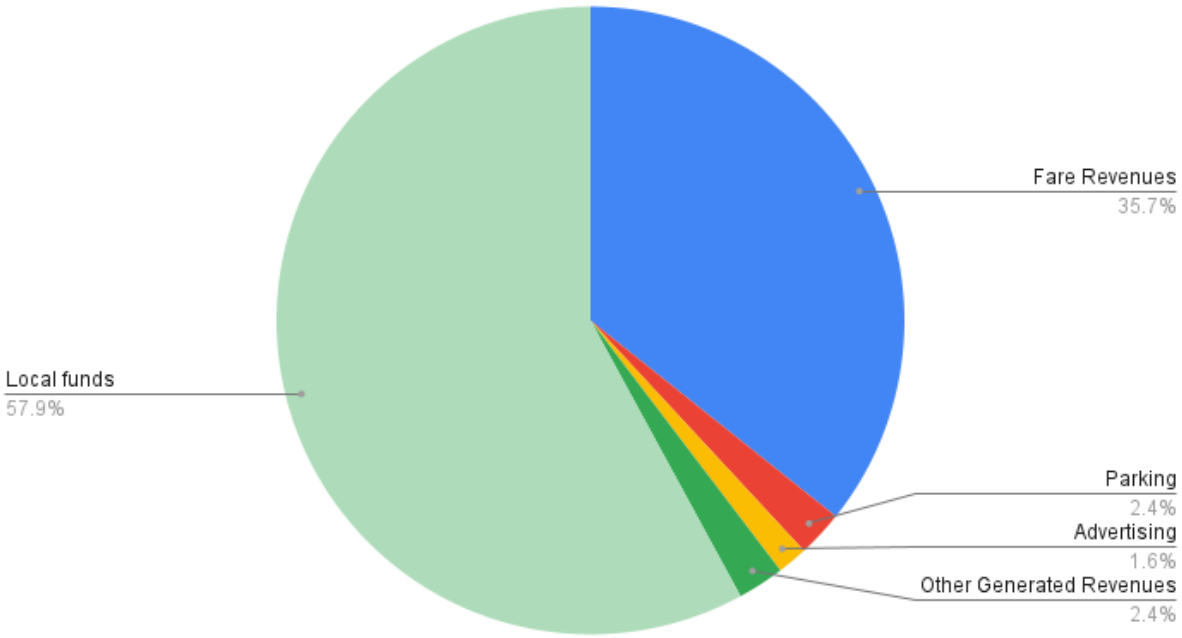
RTA Operating Revenues 2019

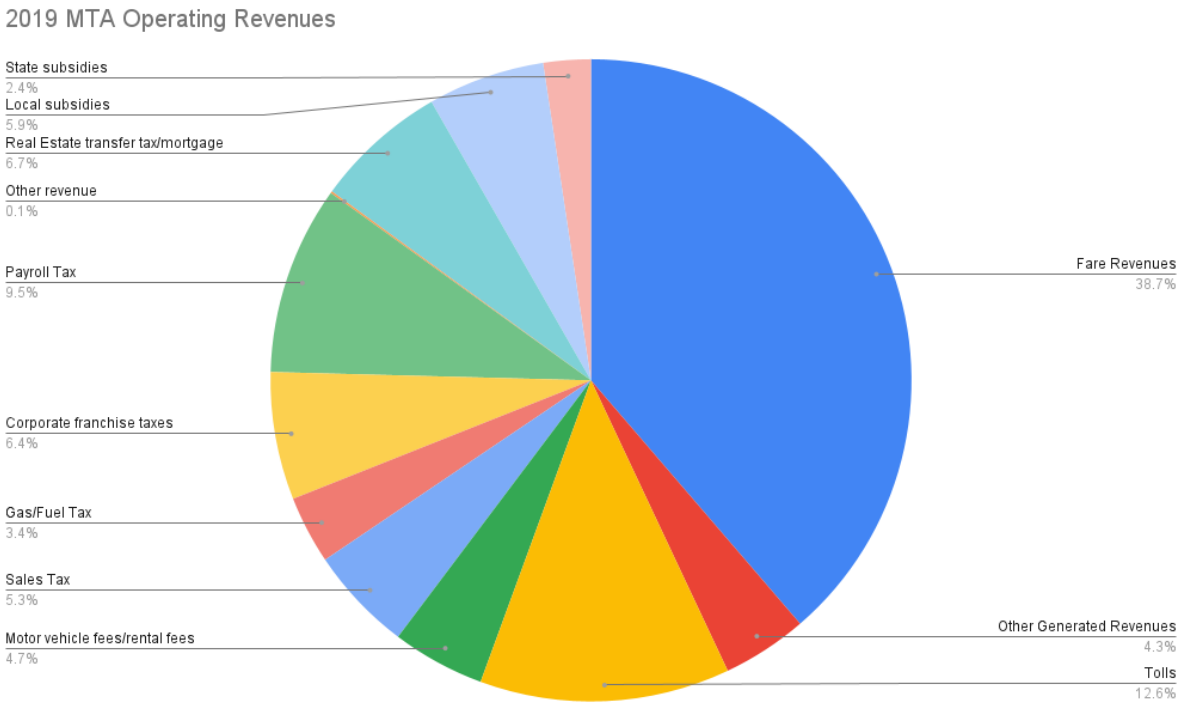


SEPTA Operating Revenues 2019



WMATA Operating Revenues 2019





5.3 percent of the MTA's 2019 budget ($867.45 million) came from the .375 percent Metropolitan Commuter Transportation District tax, which is an addition to the New York State tax of 4 percent, and the New York City sales tax of 4.5 percent.

48.5 percent of the MBTA's budget ($1,053.20 million) comes from the sales tax. The sales tax in Massachusetts is 6.25 percent, with the MBTA getting a dedicated 16 percent of this revenue, or 1 cent of 6.25 cents per dollar.[102]

The sales tax accounted for 41.2 percent of revenue for the Chicago RTA ($1,254.16 million). The sales tax is .50 percent in DuPage, Kane, Lake, McHenry, and Will Counties, but 1.25 percent in Cook County.[103] Overall, Illinois has a 6.25 percent sales tax, while the overall combined sales tax in Chicago is 10.25%.

47.0 percent of LACMTA's budget is from the sales tax ($866 million), coming from four half-cent sales taxes. Overall sales taxes in Los Angeles County can go as high as 10.5%.[104]
*The MTA could look at increasing the total amount of revenue it gets via sales taxes.

[102] https://www.macomptroller.org/wp-content/uploads/report_mbta-certification_fy-2022_march.pdf

[103] https://www.rtachicago.org/finance-management/operating-revenue-and-funding#:~:text=In%20Cook%20County%20the%20RTA,50%25.

[104] https://www.cdtfa.ca.gov/formspubs/cdtfa95.pdf

The MTA got 4.7 percent of its revenue ($766.6 million) from motor vehicle and rental fees, while SEPTA got 10.8 percent of its revenue ($159.48 million) from this category. SEPTA got this from a variety of taxes and fees, including a tire tax, and a fee on car rentals and leases.[105]

Tolls made up 12.6 percent of the MTA's budget in 2019, or $2,071 million. 18.2 percent of SEPTA's budget ($268.58 million) was from Pennsylvania Turnpike tolls, though, starting in 2023, this contribution will go down significantly, being replaced by motor vehicle sales and uses tax revenue.[106] There is precedent for the MTA to get a larger share of its revenue from tolls.

105 https://www.houseappropriations.com/files/Documents/PennDOT%20Multimodal%20Transportation_111721.pdf

106 https://planning.septa.org/wp-content/uploads/2022/04/FY2023CapitalBudgetProposal_Final_04-22-2022.pdf#page=38