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Budget Watchdog: Taxi Levies Could Close MTA Funding Gap

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Overhauling taxes on services regulated by New York City's Taxi and Limousine Commission could help fill the \$2.6 billion gap in the Metropolitan Transportation Authority's proposed five-year capital plan, according to the [Citizens Budget Commission](#).

Watchdog organization CBC, in a policy brief by research associate Jamison Dague, proposes motor vehicle cross-subsidies rise to 25% of mass transit costs from the expected 11% in recent MTA financial plans.

Services include yellow cabs, liveries, community cars and smartphone-oriented dispatch service providers such as Uber and Lyft.

Riders now pay a flat 50-cent per-ride tax on yellow and green cab rides and an 8.875% sales tax on black car rides, which will generate an estimated \$250 million in 2015 for New York State, the city and the MTA. "If trips made by yellow taxicabs continue to decline, MTA revenues will also decrease-unless tax policies are change," wrote Dague.

The CBC presents three options: expanding coverage of the per-ride tax to all black-car and Uber-type rides, which could generate up to \$55 million by 2019; increase and expand the per-ride taxicab tax, which could generate between \$73 million and \$117 million by 2019; and lowering the burden on black cars and dedicating the entire tax to the MTA, which depending on taxation level could increase MTA revenues by as much as \$225 million in 2019.

In a letter to MTA Chairman Thomas Prendergast last month, First Deputy Mayor Anthony Shorris last month suggested a surcharge on companies such as Uber to help fund mass transit.