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Yellow Cabs vs. Uber: Tale of the Tax Tape

By Ron Sherman

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It's easy to take yellow cabs for granted. Taxis are ubiquitous in the city, moving 500,000 New Yorkers, tourists and business travelers daily.

But what do they really contribute to the local and state coffers? With new competition like Uber and all kinds of assertions and assumptions being made about the value of these businesses, it seemed like a good time to provide New Yorkers with the facts.

In 2015, yellow-taxicab owners, drivers and passengers are estimated to contribute to the city and state:

- \$18 million in sales tax through the lease of taxicabs.
- \$94 million to the Metropolitan Transportation Authority (through a 50-cent per fare MTA surcharge).
- \$14 million in a city road tax (\$1,000 per car annually).
- \$57 million toward the yellow-taxi wheelchair-accessibility fund (which will help ensure that the city will be on the road toward 50% wheelchair-accessibility in its taxi fleet starting in 2016).
- \$7 million toward the existing wheelchair-accessible dispatch program.
- \$10 million in medallion licensing fees.
- \$13.5 million in corporate taxes paid by medallion owners

And since 2000, the City of New York received \$1 billion in revenue from the auction of 1,200 medallions – including 240 wheelchair-accessible medallions – much of which came from largely minority and immigrant owner-drivers and small-fleet operators.

In total, yellow taxicabs pay into the government an estimated \$213.5 million annually, or nearly \$43 per cab per day. This does not include medallion sales, nor does it include medallion transfer taxes, which are budgeted to generate \$8 million a year for fiscal years 2015-19. (Though due to fewer medallion transfers, this number has declined from \$8.8 million in 2010 to \$4.6 million in 2014.)

Now let's look at the contributions made by Uber. It is technically a black-car service, and pays the fees and taxes that such a status requires. But in reality, on the streets, its cars behave like cabs.



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According to a recent letter that an Uber executive wrote to Mayor de Blasio (reported in the Daily News on Monday), the company asserts that it “generates four times as much in taxes per ride as taxis” – citing \$40 million so far this year, all from basic sales taxes.

As the saying goes, you’re entitled to your own opinions but not to your own facts. No matter how you calculate it, Uber drivers and passengers contribute far, far less than yellow-taxicab owners, drivers and passengers.

Unlike taxis, Uber does not pay a direct MTA surcharge. Unlike taxis, Uber has no requirement to make any of its vehicles wheelchair-accessible. Unlike taxis, Uber does not pay \$1,000 a car in city road tax. And Uber pays no medallion or medallionlike fees whatsoever.

Adding insult to injury, Uber has refused to endorse Gridlock Sam Schwartz’s innovative “Move NY” congestion-pricing plan, which would improve the flow of traffic and generate additional hundreds of millions a year for public transit. The largest yellow-taxi association, of which I am president, endorsed the plan this year.

In an editorial published in January titled “Tax Uber,” The News pointed out that for a \$10 taxi fare, 50 cents goes to the MTA – while on an equivalent Uber fare, an “infinitesimal” 4 cents goes to the MTA.

That was seven months ago, when Uber counted 12,700 cars among its fleet. Today, Uber’s ranks have swollen to more than 22,000 cars – a nearly 75% jump.

A just-released report by the Citizens Budget Commission warns that if these trends continue, they will mean millions more in lost revenue for subways and buses.

In its recent war against proposals made by the City Council and the mayor, Uber, one of the wealthiest private companies in the country, proved it had plenty of money on hand to spend on political advertising. But don’t forget: Precious little of its billions go toward support for the city and state economy, the MTA or citywide wheelchair accessibility.

Sherman is president of the Metropolitan Taxicab Board of Trade, the largest yellow-medallion taxi association in New York City.