

Keep NYC Free

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For Immediate Release: January 24, 2019

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Regressive Toll Tax Not Best Way To Fund Transit or Reduce Congestion

Those who pitch the congestion tax act sometimes like they are [In Search of the Lost Chord](#). They need to really get their numbers straight and learn a bit more, paraphrasing a [song](#) title from the aforementioned LP, about The Best Ways to Travel. Like those medicine men who visited towns in covered wagon in days of old, they offer the public phony remedies. The recent example involves those who care about mass transit but sell out to the same old *medicinals*.

A bunch gathered recently at Penn to pitch the tax without regard to the real numbers. They claim \$1 billion as a down payment on \$15 billion in borrowing. A realistic estimate comes in at \$800 million. Further “giveback” will reduce that. And no one discusses the infrastructure costs which could claim a significant chunk of that sum. And those folks seem to forget that legislators outside the five borough justifiable can be expected to assert needs not on any list that could easily reduce any net from what remains of the congestion tax. So forget that big \$15 billion.

So Keep NYC Free recommends moving on from this [regressive tax scheme](#) which aims more at social engineering by elites who prefer to limit access by the City’s [middle class and working families](#) to midtown and downtown Manhattan. Rather than an ideological- driven congestion tax that actually fails to contain congestion, policymakers need to look at sustainable revenues – the essence of any tax for transit.

Bottom line, [Toll-taxes](#) no matter where imposed raise issues of [inequity](#), unfairness and inefficiencies as a revenue source for transit.

Examples of sustainable revenues include:

- *Market rate fees for street closures (***\$600 million***);
- *Vehicle registration fee adjustment (***\$300 million***);
- *Non-resident income tax double old rate equitably splitting proceeds for transit needs across MTA region (***\$2 billion***);
- *Convert FHV sales tax to a dedicated MTA tax (***\$320 million***);
- *Convert the NYS/ NYC parking tax to a dedicated MTA tax (***\$200 million***);
- *NYS MTA-dedicated petroleum business tax increase of 5 cents per gallon (***\$170 million***);
- *Restore NYS & NYC Stock Transfer Tax (cease rebate) (***\$11 billion***);
- *State motor fuel tax adjustment from 8 to 13 cents per gallon, with half the incremental revenue dedicated to the MTA's Fast Forward plan (***\$160 million***);
- *An assessment equal to 5% of real property tax due on commercial property in Manhattan (***\$408 million***);
- *\$1 per square foot on commercial and industrial property below 59th Street (***\$664 million***);
- *Restore the NYC non-resident income tax at one-half its previous rate, with all proceeds dedicated to MTA NYC Transit's Fast forward plan (***\$461 million***);
- *Legalize and tax the sale of cannabis for recreational use (***\$248-\$677 million***); and
- *1 percentage-point surcharge on the City's hotel tax (***\$97 million***).

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See:

[Transit bids pushing for congest fee](#) (Daily News, January 24, 2019)

[Advocates pitch congestion pricing for transit upgrades, but 'fact sheets' omit funding shortfall](#) (Crains, January 23, 2019)

[Tech employers want congestion pricing](#) (Daily News op ed, January 17, 2019)

[Cuomo's congestion pricing: The governor embraces the best plan to raise funds for the subways and attack traffic](#) (Daily News editorial, January 16, 2019)