

Keep NYC Free

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

Testimony to NYS Senate Standing Committees On Corporations, Authorities & Commissions and On Transportation by Corey Bearak, Senior Policy Advisor, Keep NYC Free



Thank you for the opportunity to advocate for financial resources that would allow the MTA to effectively and efficiently deliver and enhance its services.

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. One recent example involves those who care about mass transit but sell out to the same old *medicinals*, including the either – or/ Massive Fare Hike or Congestion Pricing “drink” laid out by the Governor. This ignores other sound and sustainable revenues including those Keep NYC Free [outlines](#).

Like those medicine men who visited towns in covered wagon in days of old, they offer the public phony remedies. They pitch the tax without regard to the real numbers, falsely claiming \$1 billion as a down payment on \$15 billion in borrowing. A realistic estimate comes in at \$800 million. Further “givebacks” will reduce that even more. And no one discusses the infrastructure costs which could claim a significant chunk of that sum. And do we not expect legislators outside the five borough 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.

And we call attention to other blatantly false numbers. Applying those who drive from a community against all who reside there creates a crooked number that also counts children, retirees and those who work but not in Manhattan. Real numbers and real people matter. That's why Keep NYC Free recommends moving on from this [regressive](#) tax [scheme](#) which aims more at social engineering by elites.

The *taxers* prefer to limit access by the City's [middle class and working families](#) to midtown and downtown Manhattan.

Rather than this ideological-driven congestion tax that actually fails to contain congestion, policymakers need to look at sustainable revenues – the essence of any resource for transit.

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

Let's not forget that New Yorkers already pay taxes that fund the MTA; these includes Sales, Payrolls, Petroleum, Real Estate, and taxi ride. Those apply in addition to fares and tolls and other revenues (including from rent and leases on MTA property). Indeed, the Citizens Budget Commission finds New York City residents pay 70% of the taxes and subsidies that go to the MTA.

The aforementioned and clear need for management reforms certainly merit attention before applying for new revenues. And when it comes to new resources, better ones exist and make sense.

Examples of sensible 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 at 13 (up from 8) cents per gallon, with 50% of new revenue dedicated to MTA's Fast Forward plan (**\$160 million**);
- *An assessment equal to 5% of real property tax due on commercial property in Manhattan (**\$408 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***);

*\$1 per square foot on commercial and industrial property below 59th Street (***\$664 million***); and

*1 percentage-point surcharge on the City's hotel tax (***\$97 million***).

Thank you for this opportunity to share these sound and sustainable alternative resources.

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