

SUBSIDIES FOR TRAFFIC

How Taxpayer Dollars Underwrite Driving in New York State

**A Report for the
Tri-State Transportation Campaign**

**Cora Roelofs
Charles Komanoff**

**Komanoff Energy Associates
270 Lafayette Street, Suite 412
New York, NY 10012
(212) 334-9767
e-mail: kea@igc.org**

March 1994

The Tri-State Transportation Campaign

The Tri-State Transportation Campaign is a coalition of thirteen environmental, community and public-interest organizations in the New York / New Jersey / Connecticut metropolitan region.

Connecticut Fund for the Environment ■ New Haven, CT

1032 Chapel Street / 06510 / (203) 787-0646 ■ *Contact: Don Strait*

Environmental Advocates ■ Albany, NY

353 Hamilton Street / 12210 / (518) 462-5526 ■ *Contact: Loretta Simon*

Environmental Defense Fund ■ New York, NY

257 Park Avenue South / 10010 / (212) 505-2100 ■ *Contact: James T.B. Tripp*

Komanoff Energy Associates ■ New York, NY

270 Lafayette Street, Room 412 / 10012 / (212) 334-9767 ■ *Contact: Charles Komanoff*

Natural Resources Defense Council ■ New York, NY

40 West 20th Street / 10011 / (212) 727-4454 ■ *Contact: Richard Kassel*

New Jersey Environmental Lobby ■ Trenton, NJ

204 West State Street / 08608 / (609) 396-3774 ■ *Contact: Marie Curtis*

New Jersey Public Interest Research Group ■ Trenton, NJ

11 North Willow Street / 08608 / (609) 394-8155 ■ *Contact: Curtis Fisher*

New York City Environmental Justice Alliance ■ New York, NY

271 West 125th Street, Room 303 / 10027 / (212) 866-4120 ■ *Contact: Michelle DePass*

Regional Plan Association ■ New York, NY

61 Broadway, 11th floor / 10006 / (212) 785-8000 ■ *Contact: Jeffrey Zupan*

Rutgers Environmental Law Clinic ■ Newark, NJ

15 Washington St / 07102 / (201) 648-5695 ■ *Contacts: Ed Lloyd, Therese Langer*

Scenic Hudson, Inc. ■ Poughkeepsie, NY

9 Vassar Street / 12601 / (914) 473-4440 ■ *Contact: Jeffrey Anzevino*

Straphangers Campaign / NYPIRG ■ New York, NY

9 Murray Street / 10007 / (212) 349-6460 ■ *Contacts: Gene Russianoff, Joe Rappaport*

Transportation Alternatives ■ New York, NY

92 St. Marks Place / 10009 / (212) 475-4600 ■ *Contact: John Kaehny*

Tri-State Transportation Campaign ■ New York, NY

281 Park Avenue South / 10010 / (212) 777-8181 ■ *Contacts: Janine Bauer, executive director; Jon Orcutt, associate director; James T.B. Tripp, board chair*
e-mail: tstc@igc.org; <http://www.tstc.org/tstc/>

See inside back cover for information about ordering additional copies of this report, as well as *Crossroads*, a parallel study of motorist subsidies in New Jersey, and the Tri-State Transportation Campaign's *Citizens Action Plan*.

Acknowledgments

The authors thank the following individuals and agencies for their research assistance for this report:

Tom Benedict and Ross Creighton, U.S. Federal Highway Administration
Deborah Bierbaum, Emi Bourgeois, Pat Cohen, Frans Seastrand and Steven Zych,
New York State Department of Taxation and Finance
Shawn Brannigan and Chief John Timoney, New York City Police Department
Mark Delucchi, Institute of Transportation Studies, University of California at Davis
John Corlett, Automobile Club of New York
Captain Brian Dixon, New York City Fire Department
John Fahner, New York City Department of Transportation
Bob Formachelli and Mark Kraichy, New York State Department of Transportation
Charles Hughes, New York State Office of Court Administration
Ken Kimball, New York State Department of Motor Vehicles
Fred Lucas, Triborough Bridge and Tunnel Authority
Kathleen Marciano, Buffalo Parking Violations Bureau
Jeanette McNulty, (New York) City Sheriff
Anita Morck, Yonkers Parking Violations Bureau
Cynthia Munk and Jim Romain, Office of New York State Comptroller
Job Pokorny, Metropolitan Transportation Authority
Sam Schwartz, former Deputy Commissioner, New York City Department of Transportation
Kenneth Small, University of California at Irvine
Staff of the New York City Municipal Research Library
Elaine Werbell, New York City Department of Consumer Affairs
Russell Wyse, New York Public Authorities Control Board

Additionally, we thank the following for their valuable comments:

George Haikalis, Auto-Free NY / Transportation Alternatives
Stanley Hart, Sierra Club
Brian Ketcham, Brian Ketcham Engineering, P.C.
Therese Langer, Rutgers Environmental Law Clinic
Jon Orcutt, Transportation Alternatives
Katie Scarborough, Alliance for a Paving Moratorium
Jim Tripp, Environmental Defense Fund

Table of Contents

1. Summary of Findings	1
2. Project Framework	3
3. Recommendations and Proposed Actions	5
4. Methodological Issues	7
A. Revenue and Expenditure Jurisdictions	7
B. Data Sources	8
5. Motor Vehicle-User Revenues and Expenditures in New York State	11
A. New York City	11
B. Other Localities	14
C. New York State Level	18
D. New York State Public Authorities	20
E. Federal Motor Vehicle-User Revenues and Expenditures in New York State	22
6. Total New York State Motor Vehicle-User Revenues and Expenditures	22
7. Other Comparisons of New York State Motor Vehicle-User Revenue and Expenditures	23
Appendix A: Social and Environmental Costs from Motor Vehicle Use in New York ..	A-1
Appendix B: Treatment of Sales Tax on Motor Vehicle Sales and Services	A-3
About the Tri-State Transportation Campaign (inside front cover)	
About the Publishers and Authors (inside back cover)	
Tables follow Appendices	

Subsidies for Traffic: How Taxpayer Dollars Underwrite Driving in New York State

1. Summary of Findings (see table on page 3 for quick summary; see Table 1 following text for full breakout)

- New York State motorists pay \$4.5 billion annually in user fees to local, state and federal governments and public authorities in tolls, highway use taxes, motor fuel taxes, registration and licensing fees, and fines, penalties and surcharges for motor vehicle-related violations. This figure covers all user-derived revenue from passenger and commercial vehicles. It includes “upstream” motor vehicle taxes and fees such as truckers’ Transportation Corporation Taxes and fuel suppliers’ Petroleum Business Tax.
- Local, state and federal government and public authorities expend \$6.9 billion annually in New York State for construction, operation and maintenance of streets, highways and bridges; vehicle and motor vehicle-user safety and enforcement; regulation; and administrative costs associated with these activities.
- Based on the foregoing findings, motor vehicle-user expenditures in New York State exceed motor vehicle user-derived revenue by \$2.4 billion annually. That is, New York State drivers receive \$2.4 billion annually in taxpayer subsidies. This subsidy is paid by the general public through taxes not tied to motor vehicle use, i.e., property taxes, income taxes and sales taxes.
- Most of the taxpayer subsidy of motor vehicles in New York State is borne at the local level, i.e. by New York cities, towns and counties, at a rate of \$2.15 billion a year. Localities other than New York City bear \$1.8 billion of the local taxpayer subsidy.
- Excluding New York City, user revenues fund only 10% of localities’ motor vehicle-user expenditures in New York State. State and federal grants make up only an additional 8% of local expenditures, excluding New York City. Thus, over 80% of local government spending to support motor vehicles in New York localities outside of New York City is raised through general taxes — primarily property taxes.

- In 1992 the Triborough Bridge & Tunnel Authority (TBTA) collected \$385 million more in user-revenue (primarily tolls) than it spent on its bridges and tunnels. The TBTA handed over this surplus to its parent, the Metropolitan Transportation Authority (MTA), for use for the New York City Transit Authority and commuter rail lines.
- The Port Authority of New York & New Jersey (Port Authority) raised \$491 million from motor vehicle users in 1991. It expended \$238 million for its bridges and tunnels and contributed the excess \$254 million toll revenue to its transit operations. Because the Port Authority serves both states, we include only half of Port Authority revenue (\$246 million) and expenditures (\$119 million) in our New York State tally.
- In 1991, excluding public authority toll revenues, New York City drivers paid \$658 million in user fees to City coffers. At the same time, New York City government expended \$1,018 million for motor vehicle-user projects, or \$360 million more than City government received directly in motorist user fees. Including 50% of TBTA's excess tolls and 50% of the New York State portion of the Port Authority excess toll revenues (with the other half assumed to benefit Long Island and upstate residents), yields a net New York City taxpayer subsidy of drivers of \$105 million.
- These figures do not account for the estimated \$21 billion a year in environmental and social costs imposed by motor vehicles through air and noise pollution, accidents, use of land and congestion in New York City alone. They also exclude some fiscal subsidies embedded in public infrastructure expenditures that benefit drivers as well as others, for example, street cleaning and lighting. However, the revenue figures exclude general sales taxes on purchases of automobiles, gasoline, parts and services.
- This report uses 1991 as its base year of analysis. However, some of our data sources used calendar years or different fiscal years. For example, New York State uses an April 1 to March 31 fiscal year, while New York City uses a July 1 to June 30 fiscal year. Additionally, some data were only available from 1990, others from 1992. All dates are specified in the sections below detailing revenues and expenditures.
- In 1992 New York State raised its Petroleum Business Tax (and other smaller taxes) and generated \$383 million more from motorists than in 1991, the base year of this study. Calculating the taxpayer subsidy with 1991 motor vehicle expenditures and 1992 motor vehicle user tax collections would low-

er the New York State taxpayer subsidy of motorists to \$2.0 billion, from \$2.4 billion.

- For the United States as a whole, we estimate that taxpayers subsidize motorists at an annual rate of approximately \$20 to \$25 billion, based on analysis of the Federal Highway Administration's *Highway Statistics* report. However, this is a rough estimate and has not been developed to nearly the level of detail employed in this report on New York State.

New York State Annual Motor Vehicle Revenue And Expenditures Circa 1991, in millions (right column denotes extent of subsidization of drivers by taxpayers)			
	Revenue	Expenditures	Net Subsidy
Localities	\$864	\$3,015	\$2,151
<i>New York City</i>	<i>\$658</i>	<i>\$1,018</i>	<i>\$360</i>
<i>Other Localities</i>	<i>\$207</i>	<i>\$1,997</i>	<i>\$1,791</i>
State	\$1,555	\$2,216	\$660
Public Authorities	\$1,264	\$903	(\$362)
Federal	\$855	\$805	(\$49)
Total	\$4,538	\$6,938	\$2,400
Note: Using 1992 figures for Petroleum Business Tax collections and other, minor state level taxes, would increase State revenue collections from motorists by \$383 million, raising total revenue to \$4,921 million and reducing net subsidy to \$2,018 million. Parentheses denote negative numbers.			

2. Project Framework

New York, like other states, collects large sums of money from motorists and spends large amounts to build and maintain its roadway infrastructure. How do these revenues and expenditures balance out? The answer to this question has important implications for transportation policy and, consequently, our state's social, economic and natural environment.

To date, no definitive accounting has been compiled of motorist revenue and expenditures. For years transportation advocates have pressed opposing claims

about fiscal subsidies for transportation; environmentalists have asserted that the general public was subsidizing drivers, and roadway user interests have claimed that drivers were subsidizing the general budget through taxes and user fees. This argument flared up in the 1993 legislative debate over the revenue generated by the Petroleum Business Tax: road-building and highway-user advocates argued that drivers paid too much already and deserved more funding for road services and facilities; environmentalists demanded that the tax fund mass transit.

Until this report, there has been no comprehensive analysis of motor vehicle-user revenues and expenditures in New York State. Why hasn't this been studied when the transportation and environmental debate occupies all levels of government? The answer may lie in the daunting nature of the task.

Until April 1993, when the New York State Senate and Assembly passed a comprehensive Transportation Bill, New York deposited most user fees such as fuel taxes and registration fees into the general fund — the fund that collects all state income, corporate and sales taxes; the state also made highway allocations from the general fund. Thus, there was little fiscal correlation between what was collected and what was spent. (The 1993 Transportation Bill created Highway and Bridge and Mass Transit dedicated funds to segregate user fees.)

Additionally, a host of government jurisdictions and agencies collect revenues from motor vehicle-users and make expenditures for motor vehicle projects. Many of these agencies do not distinguish such revenues or expenditures in their budgets. These agencies generally employ a more restrictive definition of user fees, excluding important user fees such as parking tickets. This means that tracking motor vehicle-user revenues and expenditures requires a serious detective effort. In this report, we have searched every fiscal nook and cranny to present a complete and accurate picture of motor vehicle-user finance in New York State and City.

Motor vehicle user-derived revenues comprise user fees from drivers of private automobiles, freight trucks and for-hire vehicles such as taxis. Vehicle users pay federal, state and city motor fuel taxes, tolls and weight-distance taxes for freight transport. Drivers also pay vehicle registration and license fees, parking and speeding tickets and parking meter charges. Businesses pay taxes and fees, such as the Transportation Corporation Tax paid by trucking companies and Petroleum Business Tax by fuel companies, on behalf of vehicle users.

Public agencies make motor vehicle-user expenditures to construct, maintain and administer the motor vehicle infrastructure such as roads, toll crossings, and bridges. Motor vehicle-user expenditures also include money spent on vehicle safety programs, highway and traffic patrol, and court costs related to moving and standing violations.

New York State drivers pay \$4.5 billion annually in user fees, as shown below. However, these payments don't cover the full cost of government motor vehicle-user expenditures, which we estimate here to be \$6.9 billion a year. As a result, governments must raise substantial sums — \$2.4 billion a year — from the general public via property and other broad-based taxes, to finance motor-vehicle related spending. *Taxpayers subsidize motorists.*

Types of User-Fees	Types of Vehicle-User Expenditures
Motor Fuel Taxes	Road & Bridge
Tolls	Construction
Parking Taxes	Maintenance
Auto Rental Tax	Engineering
Commercial Vehicle Fees	Debt Service
Vehicle Registration Tax	Toll Operation
License Fees	Police & Fire Services
Parking, Moving and	Traffic Patrol
Registration Fines	Trucking Regulation
Fine Surcharges	Licensing
Parking Meter Revenue	Administration
Fuel and Transport	Planning
Business Taxes	Court Costs

Since drivers constitute much of the public-at-large, does it matter that a significant portion of motor vehicle expenditures are funded through general taxes? Yes. By “bundling” or hiding roadway costs in general taxes, New York State’s transportation system disguises the cost of car and truck transport. The result is that individuals and businesses “demand” more motor vehicle transportation than they would if the portion of vehicle usage costs now buried in general taxes were moved into the price of vehicle transport.

If motorists paid the full fiscal cost of driving, they would economize on some vehicle use that is not economical for society as a whole. Furthermore, subsidies to drivers harm those who use motor vehicle transport little or not at all, since their taxes pay for services which do not benefit them. This consideration is particularly important in New York State, where 30% of households do not own cars (in New York City, 56% of households do not own cars).¹ A more equitable and efficient strategy would raise user-fees, such as tolls, to finance motor-vehicle transport, and use the revenues to reduce general taxes.

¹ Household car ownership from 1990 Census of Population and Housing, Summary Tape 3A. (Data provided to KEA by Regional Plan Association, Feb. 28, 1994.)

Of course, the full cost to the public of motor vehicle transport is more than fiscal subsidies for highway construction and street maintenance. It includes the societal and environmental costs that motor vehicle use inflicts on society through accidents, pollution, congestion, and loss of town centers and open space, etc. The full public cost of motor vehicle transport also includes motor vehicle users' share of services such as street cleaning and snowplowing which make driving possible yet also benefit non-users. This study excludes both motor vehicle-imposed environmental costs and the cost of motorists' share of general services, although Appendix A briefly treats environmental costs.

The finance issues of *public* transportation (e.g. subways, buses, commuter rail) and non-motorized transport (walking, cycling) are beyond the scope of this report. Nevertheless, it is important to note that any subsidies to such modes tend to benefit the public-at-large by reducing driving and thus limiting the negative impacts of motor vehicle transport, while subsidies to motor vehicle transport exacerbate those impacts by encouraging driving.

Furthermore, former Deputy Commissioner of the New York City Department of Transportation Sam Schwartz contends that NYCDOT policies favoring motorists and deferring bridge maintenance have exacerbated the need for transit subsidies. For instance, NYCDOT deferred maintenance on the transit and motor vehicle-shared Manhattan Bridge and when NYCDOT did undertake bridge improvements, it largely ignored the transit use of the bridge. These policies led to the diversion of the "N" subway line from the bridge at an annual cost to the Transit Authority of millions of dollars.

Schwartz' position, with which we agree, is that motor vehicle-user expenditures must focus on preventive maintenance in order to lower capital spending on highways and bridges. These freed funds may then be diverted to expansion of the transit system. We do not take a position on whether the motor vehicle-user expenditure budgets in New York State should increase or decrease, only that current spending patterns are inefficient and, of course, that motorists must pay their way.

3. Recommendations and Proposed Actions

- Responsible government agencies should evaluate our findings.
- Government should establish a process for periodic updates.

- The public should debate, and legislators should enact, user fees to eliminate taxpayer subsidies of motor vehicle use in New York State.

The major conclusion of this report, that each year in New York State several billion dollars in general taxpayer funds are allocated to support motor vehicle users, qualifies as an important finding for public policy. Accordingly, responsible governmental agencies should evaluate the data and analysis developed here. An assessment by local government associations would be particularly valuable, given our finding that a large majority of the total taxpayer subsidy to motor vehicle users occurs at the local level. Ultimately, a task force of public and private experts should report on the precise extent of taxpayer subsidization of motor vehicle use in New York State.

Second, the same agencies and/or task force should institute a procedure to update this analysis on a regular basis, possibly biennially. These updates will be especially valuable as state and local governments enact roadway user fees to reduce and eliminate motorist subsidies.

Third, policies should be proposed, debated and enacted to eliminate taxpayer subsidies of motor vehicle use in New York State. Various user fee mechanisms already in place or under development, such as weight-distance charges, smog fees, higher fines for serious user violations, etc., could be deployed and/or increased for this purpose.²

4. Methodological Issues

A. Revenue and Expenditure Jurisdictions

Four levels of government conduct motor vehicle-user finance in New York State:

- **Localities** — cities, towns and counties, divided in our study between New York City and Other Localities

² For a fuller discussion of these mechanisms, consult the Tri-State Transportation Campaign's *Citizens Action Plan*, pp. 55-64 (see inside front cover for ordering information), or Charles Komanoff, "Pollution Taxes for Roadway Transportation," in *Pace Environmental Law Review*, Pace University Law School, Center for Environmental and Legal Studies, 1994, forthcoming; article alone is available from Komanoff Energy Associates.

- **State agencies and departments**
- **Public Authorities** — quasi-governmental agencies³
- **Federal Highway Trust Fund grants to New York State and receipts from New York State drivers' federal gas taxes**

Total New York State motor vehicle-user revenues and expenditures are a combination of all these jurisdictions' vehicle-user revenues and expenditures — adjusted to avoid double-counting of funds transferred between jurisdictions. For instance, we exclude state expenditures for “Aid to Localities” for traffic safety programs because we include these programs as local level expenditures. We have also excluded transfers and receipts between the State and the Authorities, such as New York State Thruway Authority reimbursement to the New York State Division of State Police for patrol services on the Thruway system. This is based on our assessment that there is no significant cross-subsidization between transit and motor vehicles at these jurisdictions. However, we have included transfers and receipts between the relevant public authorities and New York City, and between New York State and New York City, in order to calculate the relationship between motor vehicle user-derived revenue and expenditures for the City alone.

B. Data Sources

For local government revenues and expenditures we relied on:

- *Comprehensive Annual Financial Report of the [New York City] Comptroller for the Fiscal Year Ended June 30, 1992*, Actual 1992 Revenue and Expenditures, General Fund-Schedule G3: Revenues vs. Budget by Agency
- Budget documents from relevant New York City agencies

³ The Port Authority of New York & New Jersey operates its toll facilities between New York and New Jersey, and thus collects toll revenues from New Jersey drivers and expends money for the New Jersey “side” of these crossings. The Port Authority's *Vehicular Origin and Destination Survey, 1989* and its *PATH Origin and Destination Study, 1990* suggest that more than 50% of Port Authority facility users are from New Jersey. We have included 50% of Port Authority expenditures and revenues in our New York State tally.

- FHWA Form 536, *Local Highway Finance Report*, for New York City, Municipalities and Non-Municipalities compiled by the State Department of Transportation using local government reports
- Budget Documents from the Office of the State Comptroller and the State Office of Court Administration

For state level finance we relied on two sources:

- New York State Department of Taxation and Finance, *1990-1991 Statistical Report of New York State Tax Collections*, Office of Tax Policy Analysis, Jan. 1992, Table 3B
- *New York State Executive Budget, 1991-1992*, Funds Available 1990-1991, Chapters on Division of State Police, Department of Motor Vehicles, Governor's Traffic Safety Commission, and Department of Transportation

For public authority revenues and expenditures we relied on:

- FHWA's *Highway Statistics, 1991*, Tables on Receipts and Disbursements for State and Municipal Administered Toll Road and Crossing Facilities, 1991
- Annual reports from the Port Authority of New York & New Jersey and the Triborough Bridge & Tunnel Authority

Our source for federal - New York State highway finance is the FHWA's *Highway Statistics, 1991*, Table: Federal Highway Trust Fund Receipts Attributable to Highway Users in Each State, FY 1991 and Table: Comparison of Federal Highway Trust Fund Receipts Attributable to the States and Federal-Aid Apportionments From the Fund.

Data Sources We Did Not Rely On

We examined state and federal data sources documenting motor vehicle-user revenue and expenditure. Each year, the states prepare forms FHWA-531 and FHWA-532 documenting state-level revenue and expenditures, respectively. The federal government compiles this information in the premier resource for national highway finance information: the Federal Highway Administration's *Highway Statistics*. However, neither of these data sources — the State's

forms and the highway finance section of *Highway Statistics* — are comprehensive enough for our purposes.

Problems with New York State's Reporting to the FHWA

- New York State was a “general fund” state until 1993. The State deposited most user-fees in the state general fund and made motor vehicle-user appropriations from the general fund. The FHWA forms do not provide enough detail to track all user-fees — most revenues appear as appropriations from the general fund.
- The FHWA forms account only for funds which pass through state coffers; they exclude funds that localities collect and spend locally, as well as public authorities' collections and disbursements.
- The forms are “accounting-style” forms requiring that expenditures and revenues balance out, even if they didn't in reality. The balancing is done by adjusting the level of general fund revenues to match the level of expenditures.
- Not all user-fund revenue is accounted for — for example, motorist fines levied by State Police are excluded.
- The New York State Department of Transportation's New York City *Local Highway Finance Report* for the FHWA contains much less detail than other available sources.

Problems with FHWA's *Highway Statistics* Highway Finance Section

- FHWA excludes major user revenues, such as the Petroleum Business Tax and parking taxes and fines, by adhering to very narrow definition of user taxes. FHWA reports a 1991 user-derived revenue figure of \$3.2 billion (including New York State motorists' federal gas tax payments) and highway expenditures of \$6.0 billion, yielding an apparent net taxpayer subsidy to motorists of \$2.8 billion. Our estimate which includes user revenues excluded by FHWA, is somewhat smaller — \$2.4 billion.
- FHWA reports that New York State municipalities' highway user-tax revenue was less than \$1 million dollars in 1991. However, one municipality — New York City — collected \$658 million from motor vehicle users in that year.

These problems precluded our relying on these data sources for all our figures. However, as noted above, the FHWA's *Highway Statistics* is our source for Public Authority finance. These sources also serve as background and clarification.

5. Motor Vehicle-User Revenues and Expenditures in New York State

A. New York City — Table 2

ANNUAL NEW YORK CITY GOVERNMENT MOTOR VEHICLE USER-DERIVED REVENUE IS \$658 MILLION.

Our principal source for New York City motor vehicle user-derived revenue is the *Comprehensive Annual Financial Report of the [New York City] Comptroller for the Fiscal Year Ended June 30, 1992*, Actual Fiscal Year 1991-1992 Revenue. Where revenue sources were unclear, such as the Department of Transportation's revenue from "Licenses & Permits," we checked with agency budget personnel to confirm that these amounts were user-derived.⁴ For fines paid for moving violations committed in New York City, we relied on information provided by the State Department of Motor Vehicles.

Most user fees are collected through five city agencies.

New York City Government Agencies Collecting Motor Vehicle-User Revenue

- **Department of Transportation** — parking meter revenue and parking violations, fees paid (principally by utilities) for inspections following street disturbance and refurbishment, towing services: **\$382.2 million.**
- **Mayoralty** — city taxes collected by the State and transferred back to the City via the executive office: parking sales tax, commercial motor vehicle tax (the Department of Finance collects \$0.2 million in commercial motor vehicle tax included here); "auto use" tax (a tax on vehicle registrations), and taxi medallion transfer fee: **\$145.7 million.**
- **City Sheriff** — collections of unpaid parking violations: **\$50.6 million.**
- **Taxi & Limousine Commission** — licenses, fees and fines: **\$28.4 million.**

⁴ Utilities pay license and permit fees to cover the cost of inspection of street refurbishment following disturbance. We include these fees in our user revenue total.

- **Police Department** — auction proceeds for recovered motor vehicles: **\$5.8 million.**

Additionally, in New York City and several other cities, the State Department of Motor Vehicles (DMV) collects fines and surcharges for violations of the New York State vehicle and traffic law. The vehicle and traffic law covers moving, license and equipment violations, but not parking violations. In Fiscal Year 1990-1991, New York City generated **\$44.8 million** in fines and surcharges for vehicle and traffic law violations. We include fines and surcharges for vehicle and traffic violations for other cities and towns and villages under Other Localities, below.

New York City's largest motor vehicle revenue source is parking tickets. In Fiscal Year 1991-1992 the City Parking Violations Bureau collected \$276.7 million and the City Sheriff collected \$50.6 million, for a total of \$327.3 million in parking violations fines.

ANNUAL NEW YORK CITY MOTOR VEHICLE-USER EXPENDITURES ARE \$1,018 MILLION.

We also relied on the Comptroller's Report for the City's expenditure side. However, the report provides much less detail on motor vehicle-user expenditures than on revenues. We thus contacted budget personnel at the relevant city agencies to clarify motor vehicle-user public expenditures.

The Department of Transportation is the agency responsible for 78% of city motor vehicle-user expenditures — \$792 million in Fiscal Year 1991-1992. According to Department of Transportation budget personnel, 90% of administrative costs at Department of Transportation are motor vehicle-related.⁵ DOT uses the remaining 10% for paratransit (transport for disabled people), pedestrian and bicycling programs, and sidewalk maintenance. Accordingly, our tally of motor vehicle-user expenditures includes 90% of DOT's administration budget. We have applied only 75% of the DOT's capital budget for new equipment and new street lights as a conservatism.⁶

⁵ Telecom Oct. 7, 1993 with John Fahner, Director of Financial Management, New York City Department of Transportation.

⁶ NYCDOT maintains two New York City bridges (the Manhattan and Williamsburg) that are also used by New York City Transit Authority trains. Data provided by NYCDOT budget personnel were insufficient to allow us to estimate the "transit" share of DOT bridge spending for Fiscal Year 1991-1992.

We estimate that New York City's *capital* budget for highways, bridges, equipment, etc. in Fiscal Year 1991-1992, was \$337.4 million. An additional \$205.9 million in New York State and Federal funds was spent on New York City roadway capital projects,⁷ for a total of \$543.3 million in capital spending for roads. (New York State and Federal support for New York City is included in the New York State and Federal tallies.)

The Police Department also makes significant expenditures for motor vehicle-user activities including traffic management, accident intervention, patrol, investigation, and legal processing associated with moving and standing violations, and auto theft. We have estimated that 10% of the Police Department budget (or \$169 million in Fiscal Year 1991-1992) could be considered motor vehicle-related. Researcher Stanley Hart estimated that 40% of police department expenditures in Pasadena, California were related in some way to motor vehicles.⁸ We have used an estimate of 10% owing to the fact that (i) Pasadena has a higher level of car usage than New York City, and (ii) New York City's Department of Transportation handles some motor vehicle-user activities performed by a typical police department, such as ticketing parking violations and directing traffic.

The Fire Department responds to over 14,000 motor vehicle accidents and 8,700 motor vehicle fires a year in New York City. In 1992, auto fires accounted for 15% of total fires, and auto accidents were 7% of total non-fire emergencies responded to by the New York City Fire Department.⁹ Based on these figures, we estimate that 5% of the Fire Department Budget is motor vehicle-related.

The City Sheriff's budget staff estimates that 60% of their expenditures are associated with collecting overdue parking fines¹⁰ — therefore, we include

⁷ State and Federal figures from Bob Miller, Budget Director, New York City Department of Transportation, March 14, 1994. Approximately \$150 million of the \$206 million of State and Federal support for New York City capital projects is Federal.

⁸ Stanley Hart, "An Assessment of the Municipal Costs of Automobile Use," 1985, unpublished paper.

⁹ Telecom Jan. 12, 1994 with Capt. Dixon, New York City Fire Department.

¹⁰ Telecom Oct. 20, 1993 with Jeannette McNulty, Assistant to the Sheriff, City Sheriff's Office.

60% of the total Sheriff's budget. We apply 100% of the Taxi and Limousine Commission's budget to our tally.

New York City Government Agencies Making Motor Vehicle-User Expenditures

- **Department of Transportation, *General Fund*** — expenditures for Administration, Highway Operations, Traffic Operations, Bridges and Parking Violations Bureau: ***\$454.3 million.***
- **Department of Transportation, *Capital Fund*** — expenditures for Bridges, Highway Operations, Traffic Operations, Equipment and Gas and Electricity: ***\$337.4 million.***
- **Taxi and Limousine Commission** — administration: ***\$17.8 million.***
- **City Sheriff** — administration and collection activities: ***\$6.0 million.***
- **Police Department** — patrol, inspection and processing related to motor vehicle user violations, accidents, lock-outs, alarms and vehicle theft: ***\$168.8 million.***
- **Fire Department** - response to motor vehicle accidents and fires: ***\$33.4 million.***

Expenditures to build and maintain highways and streets captured the largest share of motor vehicle-user expenditure total — \$300 million or 29% of the total. Traffic operations were close behind with \$259 million, or 25% of the total.

Motor vehicle-user revenues and expenditures percolate through a myriad of New York City departments. Our analysis includes all major motor vehicle user revenues and expenditures. However, we could not secure fiscal data for some minor categories. For instance, on the revenue side,

New York City Motor Vehicle-User Expenditures *Not* Included in Our Estimate — Partial List

Driver Education
Snowplowing
Street Cleaning
Environmental Research and Regulation
Purchase and Maintenance of City-Owned Vehicles
Fuel Pump Inspection
City-Owned Parking Lot Operations
Tow Truck Licensing
Liability Awards for City Vehicles Involved in Accidents
Legal Costs of Public Prosecution of Reckless Drivers

we exclude fees and fines collected by the Department of Consumer Affairs from tow truck licenses, private parking facility licenses and motor fuel pump inspection. On the expenditure side, we exclude the cost of licensing tow trucks, etc., and the Department of Environmental Protection's electric vehicle research and development project, because we could not identify expenditures for these activities in agencies' budgets.

Do motor vehicle drivers pay their way in New York City? The foregoing analysis indicates that while drivers generated \$657.5 million in user revenue, the City spent \$1,017.8 on their behalf, a taxpayer subsidy at the City government level of \$360.3 million. However, as discussed below, drivers contributed an additional \$255.7 million to transit in New York City via Triborough Bridge & Tunnel Authority and Port Authority excess toll revenues.¹¹ Adding this amount to the New York City user-revenue total reduces the overall New York City taxpayer subsidy of motor vehicle users to \$104.6 million.

B. Other Localities — Table 3

LOCAL GOVERNMENTS IN NEW YORK STATE (EXCLUDING NEW YORK CITY) COLLECT \$207 MILLION FROM MOTOR VEHICLE USERS ANNUALLY.

For information about local motor vehicle-user revenue and expenditure, we relied on the Federal Highway Administration form FHWA-536 *Local Highway Finance Report* prepared by the New York State Department of Transportation. This form used as its source, reports prepared by localities themselves and budget documents from the Office of State Comptroller and Department of Motor Vehicles. As mentioned above, the figures reported in FHWA forms do not represent the full extent of local motor vehicle-user revenue and expenditure. However, contacting every local jurisdiction in the state for budget information was beyond the scope of this report.

Because we have separately and, we believe, more accurately, accounted for New York City's motor vehicle-user revenue and expenditures, we have subtracted revenue and expenditures reported on New York City's *Local Highway*

¹¹ In 1992, TBTA revenues exceeded expenditures by \$384.6 million. According to the Public Authorities Law, the TBTA's excess tolls must be used for MTA transit projects. We estimate New York City's share of these excess tolls to be 50% of the total — \$192.3 million. The Port Authority's New York State share of excess revenues was \$126.8 million in 1991. We applied half of this amount (\$63.4 million) to New York City. See discussion of Public Authorities below.

Finance Report from the “local” total. Thus, “Other Localities” motor vehicle-user revenues and expenditures are the sum of the *Local Highway Finance Report* summaries for New York State municipalities and non-municipalities, minus the *Local Highway Finance Report* total motor vehicle-user revenues and expenditures for New York City.¹²

Excluding New York City, Other Localities collected **\$60.2 million** in “road user fees” and “other local receipts”¹³ from motor vehicle users, according to the *Local Highway Finance Report* — a mere 3% of total revenue used for local highway projects. Fully 80% of local highway funding comes from property taxes and other local taxes. The remainder of local revenue is derived from state and federal grants and payments from other local governments.

Motor vehicle users pay fines to the state for moving, licensing, and equipment violations of the state vehicle and traffic law. These fines also carry a surcharge paid to the state for administrative expenses. We include these fines and surcharges here under Other Localities and under New York City revenue. (See Table 4). Three different administrative jurisdictions handle the collection of vehicle and traffic fines and surcharges:

- New York State Office of Court Administration administers fines collected in state courts. State court collections of fines and surcharges from motor vehicle users in New York State in fiscal year 1991-1992 were \$30.3 million. This amount includes parking violations collected in Albany, Buffalo, Syracuse and Yonkers.
- The State Department of Motor Vehicles (DMV) collects fines and surcharges in eleven municipal locations around the state. In fiscal year 1990-1991, DMV collected \$11.2 million in fines and surcharges in localities other than New York City through the Administrative Adjudication process.

¹² As mentioned earlier, we believe that the *Local Highway Finance Reports* exclude several categories of motorist revenue and expenditure. However, we rely on this source due to the lack of alternative sources.

¹³ Instructions to local governments for filling out *Local Highway Finance Reports* for the New York State Department of Transportation specify that “other local receipts” include taxes and fees that are specifically dedicated for roads and streets. Examples include property or sales tax on vehicles, fines and penalties, and surplus parking fees. We assume that most “Other local receipts” are user-derived. However, some non-user derived revenue might be included, if that revenue was used for highway purposes.

- The State Comptroller's Justice Court Fund administers vehicle and traffic fines and surcharges collected in town and village courts. In Fiscal Year 1991-1992, New York State towns and villages generated \$104.9 million.

Combining state court, town and village court and DMV collections yields **\$146.4 million** in motor vehicle user motor vehicle fines and surcharges revenue (in addition to the \$60.2 million in other revenue sources collected from vehicle users noted above).

LOCAL GOVERNMENTS OTHER THAN NEW YORK CITY SPEND \$1,997 MILLION ANNUALLY ON MOTOR VEHICLE-USER PROJECTS.

According to FHWA, Other Localities expended \$1,970.3 million on roadway facilities and services in the following categories:

- Capital Projects, Construction and Engineering: **\$593.4 million**
- Maintenance, Snow Removal: **\$993.5 million**
- General Administration and Engineering: **\$116.5 million**
- Highway and Traffic Police: **\$14.0 million**
- Debt Service on Bonds and Notes: **\$241.3 million**
- Payments to Other Local Governments: **\$11.5 million.**

We do not have information on expenditures of local police, local and state courts, the Office of Court Administration or the Justice Court Fund related to the collection of motor vehicle fines and surcharges. We assume that DMV collection costs are a part of the DMV expenditure budgets included below under state motor vehicle-user expenditures. As noted above, the Office of Court Administration and the Justice Court Fund collected a total of \$135 million in fines and surcharges. We estimate motor vehicle fine and surcharge court costs at 20% of total collections — **\$27 million** in 1991.

FOR LOCAL GOVERNMENTS OTHER THAN NEW YORK CITY, ANNUAL MOTOR VEHICLE-USER EXPENDITURES ARE \$1,791 MILLION IN EXCESS OF MOTOR VEHICLE-USER DERIVED RECEIPTS.

The greatest part of the difference between New York State user fees and expenditures for road maintenance and construction falls at the local level, at the rate of almost \$1.8 billion a year. User fees contribute only 10% of the local level vehicle expenditure budget, and state and federal grants make up only 8% (excluding New York City). Localities thus rely heavily on general taxes such as property taxes and bonds to finance local road maintenance and construction.

C. New York State Level — Tables 5 and 6

ANNUAL NEW YORK STATE LEVEL MOTOR VEHICLE USER-DERIVED REVENUES ARE \$1,555 MILLION.

The primary New York State agencies collecting and distributing motor vehicle-user funds at the state level are the Department of Finance, the Department of Transportation, the Division of State Police, the Department of Motor Vehicles, and the Governor's Traffic Safety Committee.

In fiscal year 1990-91, the New York State Department of Taxation and Finance reported the following tax collections from motor vehicle users:

- Motor Fuel ***\$505.1 million***
- Motor Vehicle Registration and License Fees ***\$462.2 million***
- Petroleum Business Tax ***\$377.8 million***
- Highway Use - Truck Mileage ***\$87.5 million***
- Highway Use - Fuel Use ***\$22.5 million***
- Highway Use - Permits ***\$5.5 million***
- Transportation Corporation Tax (Trucking) - ***\$24.4 million***
- Auto Rental Tax ***\$18.5 million***
- Lubricating Oil Tax ***\$4.9 million***
- Petroleum Testing Fees ***\$1.6 million***

The Petroleum Business Tax (PBT) merits a special explanation. In FY1990-1991, the State collected \$484.4 million in PBT from petroleum businesses dealing in gasoline, diesel and residual fuel for use in motor vehicles, utilities and industry.¹⁴ According to the New York State Department of Taxation and Finance, motor vehicle users contribute approximately 78% of the net PBT

¹⁴ The Petroleum Business Tax rate is 14.84¢/gallon for transportation fuel, 8.05¢/gallon for farm diesel, and 12.42¢/gallon for residual fuel. Utilities burning fuel to make electricity receive a tax credit of 5.01¢/gallon, and industry using oil to make manufactured goods receive a tax reimbursement of 5.98¢/gallon. Thus, utilities pay 7.41¢/gallon in Petroleum Business Tax for residual fuel they use to make electricity.

revenue.¹⁵ Accordingly, we have allocated that percentage, or \$377.8 million, as motor vehicle-user derived revenue from the Petroleum Business Tax.¹⁶

In 1992 the State raised the Petroleum Business Tax and collected almost 90% more money from petroleum users than in the previous year. The Fiscal Year 1992 Petroleum Business Tax revenue was \$913.8 million, of which motor vehicle users' share was \$712.7 million. Further below we provide a subsidy estimate based on this higher 1992 revenue.

The New York State Department of Motor Vehicles collects fees for record searches — inquires about driving records, licenses, vehicle registration and titles by insurance companies, lawyers, and private individuals. In fiscal year 1990-1991, the Department of Motor Vehicles collected **\$45.2 million** in fees for record searches.

NEW YORK STATE GOVERNMENT EXPENDS \$2,216 MILLION ANNUALLY ON MOTOR VEHICLE-USER PROJECTS.

The *New York State Executive Budget, 1991-1992* reports funds available to state agencies during the 1990-1991 fiscal year. We take these figures as a record of expenditures by the state agencies responsible for motor vehicle-user programs. Included are only those expenditures from the General and/or Motor Vehicle-User Dedicated Funds which were not reimbursed by the Federal government or the New York State Thruway Authority. We include expenditures on programs such as the Commercial Vehicle Safety Program which are fully funded by user fees (fines paid by owners of commercial vehicles found in violation of safety and hazardous waste laws), because we have included these user fees on the revenue side.

¹⁵ Telecom with Pat Cohen, NYS Dept. of Taxation and Finance, Nov. 15, 1993. In April 1993, the New York State Legislature passed a Transportation Act mandating that the state deposit 63% of the Petroleum Business Tax in the dedicated Highway and Bridge Fund. The State deposits the remaining 37% of PBT collections in the Mass Transit Accounts.

¹⁶ We have also allocated 78% of the \$6.2 million, or \$4.9 million, in Lubricating Oil Tax to our New York State motor vehicle revenue total.

New York State Government Agencies Making Motor Vehicle-User Expenditures

- **Department of Transportation, *Capital Projects*** — highway facilities, engineering, road and bridge improvement bonds, state parkways, highway-railroad crossing alternations: ***\$1,638.0 million***
- **Department of Transportation, *State Operations*** — administration, motor freight regulation (75% of total regulation budget), DOT property, traffic and safety, highway maintenance and equipment management: ***\$373.5 million***
- **Department of Motor Vehicles** — registration, licensing, safety, emissions inspection, administration, etc.: ***\$162.7 million***
- **Division of State Police** — traffic law enforcement; vehicle dimension and weight enforcement: ***\$41.0 million***
- **Governor's Traffic Safety Committee** — state administration of federally-funded local traffic safety programs (1/2 of administrative costs): ***\$0.5 million***

D. New York State Public Authorities — Tables 7A, 7B and 7C

NEW YORK STATE PUBLIC AUTHORITIES GENERATE \$1,264 MILLION IN USER REVENUE ANNUALLY.

NEW YORK STATE PUBLIC AUTHORITIES EXPEND \$903 MILLION ON MOTOR VEHICLE-USER PROJECTS ANNUALLY.

WHILE SOME AUTHORITIES REQUIRE TAXPAYER SUBSIDIES OF MOTORISTS, AS A GROUP PUBLIC AUTHORITIES CONTRIBUTE A *NEGATIVE TAXPAYER SUBSIDY OF \$362 MILLION* ANNUALLY.

Public Authorities are quasi-public agencies that operate many major New York public facilities such as power plants, transit systems and roads and bridges. According to FHWA, nine public authorities operate roads and bridges in New York State:

- Triborough Bridge & Tunnel Authority (TBTA)
- Port Authority of New York & New Jersey (Port Authority)
- New York State Thruway Authority

- New York State Bridge Authority
- St. Lawrence Seaway Development Corporation
- Ogdensburg Bridge & Port Authority
- Buffalo & Ft. Erie Public Bridge Authority
- Niagara Falls Bridge Commission
- Thousand Island Bridge Authority

We prepared Table 7A using the FHWA's *Highway Statistics* and Tables 7B and 7C (detailing TBTA and Port Authority revenues and expenditures) using this same report and the TBTA and Port Authority annual reports.

TBTA is a daughter agency of the Metropolitan Transportation Authority. The TBTA operates seven bridges within New York City including the Triborough, the Verrazano-Narrows, and the Whitestone. The TBTA also operates the Queens Midtown and Brooklyn Battery Tunnels. The TBTA was the largest source of funds transferred from motor vehicle users to non-users in New York State. As required by law, it transferred its surplus tolls — which we estimate at \$385 million — to its parent agency, the Metropolitan Transportation Authority (MTA). Around \$100 million of this amount was used as operating subsidies for the New York City Transit Authority. The MTA used the remainder (\$285 million) for operating subsidies for the suburban railroads (MetroNorth, Long Island Railroad) and for debt payments.

The Port Authority of New York & New Jersey operates a complex of facilities and businesses including ports, airports, bridges, tunnels, bus stations, rail service, ferries, the World Trade Center, and industrial parks in New York and New Jersey. The Port Authority collects motor vehicle tolls on its six New York - New Jersey crossings including the George Washington Bridge and the Lincoln and Holland Tunnels. In 1991, the Port Authority generated \$254 million in excess tolls for transit and other non-motor vehicle projects in New York and New Jersey. Because the majority of Port Authority facility users are from New Jersey, we include only 50% of Port Authority expenditures and revenues in our New York State tally. Thus, we estimate that the New York State (including New York City) share of the Port Authority's excess toll revenue is \$127 million.

Both the TBTA and the Port Authority serve other areas in New York State as well as New York City. For the purpose of estimating a separate New York City taxpayer subsidy to motor vehicle users, we have allocated 50% of TBTA's and Port Authority's negative subsidies to New York City (one-quarter of total Port Authority excess tolls). While approximately 75% of the TBTA

subsidy goes to MTA transit projects other than the New York City Transit Authority, some city residents benefit from these MTA services.

E. Federal Motor Vehicle-User Revenues and Expenditures in New York State

NEW YORK STATE DRIVERS CONTRIBUTE \$855 MILLION IN MOTOR FUEL TAXES TO THE FEDERAL GOVERNMENT ANNUALLY.

THE FEDERAL GOVERNMENT GRANTS NEW YORK STATE \$805 MILLION FROM THE FEDERAL HIGHWAY TRUST FUND EACH YEAR.

THUS, NEW YORK STATE MOTOR VEHICLE USERS CONTRIBUTE \$49 MILLION MORE IN MOTOR FUEL TAXES THAN THEY RECEIVE IN FEDERAL HIGHWAY TRUST FUND GRANTS EACH YEAR.

New York State deposits collections of federal motor fuel taxes in the Federal Highway Trust Fund, from which most federal highway-related grants to states are made (grants also come from the Federal Highway Administration's National Highway Traffic Safety Administration).¹⁷

A comprehensive study of U.S. motor vehicle-user revenues and expenditures is beyond the scope of this report. However, our figures include federal support for New York State highway projects from the Federal Highway Trust Fund (\$805.2 million in 1991) and New York motor vehicle users gasoline and diesel tax contributions to the Federal Highway Trust Fund (\$854.6 million). Thus, in 1991 New York State drivers paid \$49.4 million more annually in federal motor fuel taxes than they received in motor vehicle-user federal funding, according to the FHWA's *Highway Statistics*.

6. Total New York State Motor Vehicle-User Revenues and Expenditures

Total motor vehicle-user revenues and expenditures in New York State include revenues and expenditures from New York City, Other Localities, Public Au-

¹⁷ The federal tax rate is 18.4¢/gallon on gasoline and 24.4¢/gallon on diesel fuel. These amounts reflect the 4.3¢/gallon increase in motor fuel taxes signed into law by President Clinton in mid-1993 and effective October 1, 1993. The federal government deposits 1.5¢/gallon of federal motor fuel tax in the Federal Mass Transit Account and allocates 6.8¢/gallon for deficit reduction.

thorities and the State Level, adjusted to account for transfers between jurisdictions.

GOVERNMENT'S TOTAL MOTOR VEHICLE-USER DERIVED REVENUE IN NEW YORK STATE IS \$4.54 BILLION ANNUALLY.

GOVERNMENT'S TOTAL MOTOR VEHICLE-USER EXPENDITURE FOR NEW YORK STATE IS \$6.94 BILLION ANNUALLY.

THUS, MOTOR VEHICLE-USER EXPENDITURES BY ALL JURISDICTIONS IN NEW YORK STATE OUTSTRIP REVENUES BY \$2.40 BILLION EACH YEAR. Sixty-four percent of the positive subsidy (excluding the negative subsidies of the TBTA, Port Authority and federal government) is accounted for by the difference between Other Localities' (excluding New York City) user-revenue and motor vehicle-user expenditures.

Total Subsidy Using 1992 Petroleum Business Tax Collections — Table 8

New York State increased an important motor vehicle user tax, the Petroleum Business Tax, in 1992, and in so doing increased Petroleum Business Tax revenues by 90% from 1991 — the base year of our analysis. Other motor vehicle user revenues increased more moderately. Substituting 1992 Petroleum Business Tax and 1992 collections of other state user taxes for the 1991 state tax figures, but continuing to use 1991 expenditure figures and 1991 figures for remaining revenues (revenue not included in state tax collections, i.e., other jurisdictions' revenues, fines, etc.), reduces the taxpayer subsidy by \$383 million to \$2.0 billion.

7. Other Comparisons of New York State Motor Vehicle-User Revenue and Expenditures

The FHWA's *Highway Statistics* reports that in 1990, motor vehicle-user federal, state and local expenditures in New York State were \$6.0 billion while motor vehicle users generated \$3.2 billion. Thus, according to FHWA, taxpayers subsidized drivers in New York State by \$2.8 billion in 1990. This compares to our taxpayer subsidy figure of \$2.4 billion. However, the FHWA figures undercount motor vehicle-user revenue as explained in the section on data sources above. FHWA *Highway Statistics* expenditure figures are also low — we count approximately \$1 billion more in New York State motor vehicle-user spending than does FHWA. It appears that FHWA is excluding

important local revenues and expenditures such as parking fines and fire protection services.

To our knowledge, the New York State Department of Transportation has not performed any analysis of recent years' highway-user revenue versus expenditure. In 1988, the State Department of Transportation conducted a "Ten-Year Comparison of Highway Related State Expenditures Versus Highway Revenues." (See Table 9.) From 1979 to 1988, DOT's figures reveal an average annual excess of expenditures over user-revenue of \$177 million. The size of the estimated subsidy grew by an average of 24% annually following the FY78-79 *surplus* (revenue over expenditure) of \$67 million. In FY87-88, the last year examined, NYS DOT shows an excess of expenditures over user-revenues of \$309 million. However, this analysis is limited to state level revenue and expenditure and excludes localities and other government categories; moreover it does not detail what has been included on either the revenue or expenditure sides.

The Automobile Club of New York produces an annual analysis of the New York State Budget, "Highway User Taxes, Bond Receipts and Related Appropriations." (See Table 10.) The Automobile Club estimates that in fiscal year 1991-1992 state highway-user receipts were \$2,633 million and highway appropriations were \$2,345 million. Thus, the Club concludes that drivers subsidized general state expenditures through an excess \$288 million in highway-user receipts over highway-user expenditures.

However, \$660 million of the total receipts included in the Automobile Club's tally were proceeds from the Rebuild New York Bond. Although the state levied this bond for road-building purposes, bond proceeds cannot be considered user-derived revenue, since bonds are repaid to purchasers through general taxes. Additionally, the Automobile Club included sales tax revenue (\$426 million.) In our analysis, we treat sales taxes on automobile goods and services as general revenues and not motor vehicle-derived receipts. (See Appendix B.) Subtracting the \$660 million in bond proceeds and the \$426 million in sales tax revenue from the Automobile Club's sum of total receipts results in an excess \$798 million in appropriations over tax receipts for FY91-92.

More importantly, the Automobile Club only examined *state level* motor vehicle-user revenues and expenditures. As this report shows, the major gaps between user fees and motor vehicle expenditures occurs at the *local level*. Thus, the Automobile Club tally overlooked roughly \$2 billion in local level taxpayer subsidies.

Appendix A: Social and Environmental Costs from Motor Vehicle Use in New York

This report addresses governmental expenditures on, and revenues from, motor vehicle use in New York State and City. It does not address driving's social and environmental impacts. Yet use of car and trucks creates a broad range of costs, ranging from illness and death from air pollution and vehicle accidents to sleep loss from traffic noise, time lost in traffic congestion, and the taking of urban and rural land for highways. Because these impacts form a crucial backdrop to the discussion of taxpayer subsidies, we summarize them here.

In recent years, a number of studies have estimated the social and environmental costs of motor vehicle use. One such study, conducted under the auspices of Komanoff Energy Associates, estimates indirect costs of motor vehicle use at approximately \$21 billion for New York City, and \$55 billion for a 25-county region surrounding and including the city.

The key components of this cost are as follows:

**"Hidden" Costs of Roadway Transport in New York City
and the Tri-State Region (25 NY/NJ/CT counties)
(billions of 1990 dollars, per year)**

Cost Category	NYC	Region
Accidents	\$7.7	\$20.8
Congestion	\$5.6	\$14.8
Air Pollution	\$3.0	\$ 6.0
Land	\$2.0	\$ 4.9
Noise	\$1.5	\$ 3.0
Energy	\$0.6	\$ 3.3
Other	\$0.5	\$ 2.1
Total	\$21 billion	\$55 billion

"Other" costs include vibration damage to buildings and roadways from heavy trucks. Costs in table exclude petroleum fuel cycle prior to combustion; vehicle manufacture and disposal; visibility damage; water pollution; enabling of "sprawl."

Source: Ketcham-Komanoff, *Win-Win Transportation*, summary version, presented at the AAAS93 Annual Meeting, Boston, Feb. 12, 1993 (revised slightly, Dec. 16, 1993), available from Komanoff Energy Associates.

As the table indicates, motor vehicle use has enormous "side-effects," amounting to \$3,000 for each person living in New York City and the surrounding re-

gion. While drivers themselves absorb much of these costs in accident costs and traffic delays, almost half of the overall costs are borne by the public at large as the health costs of air pollution, non-motorist injuries from car crashes, land occupied by roads, etc.

These social and environmental costs are largely distinct from the direct governmental outlays for motor vehicle use compiled here. The few points of overlap are minor, e.g., small pieces of emergency services budgets for accident administration appear in both the table above and in our overall tally of governmental expenditures.

We have not estimated motor vehicle social and environmental costs for all of New York State. However, given the rough equivalence of population between the state and the New York metropolitan area (18 million people in each), as well as the considerable overlap between the two jurisdictions, the KEA estimate of \$55 billion annual “hidden” costs of motor vehicle use in the metropolitan region is probably a good approximation for the state as well.

Appendix B: Treatment of Sales Tax on Motor Vehicle Sales and Services

In tallying governmental revenues derived from motor vehicle use in this report, we have not included sales taxes on the general economic activity associated with motor vehicle use. That is, we excluded sales tax revenue from sales of motor vehicles, motor fuel, repair services and vehicle supplies and parts, ranging from kiddie seats to fuzzy dice. (We have included state and federal *excise* taxes on motor fuel, however.) Instead we included only those taxes and fees that specifically target motor vehicle users, either directly or through surrogates, e.g., gas station owners.

We excluded motor vehicle sales taxes on two grounds: (i) sales taxes are not user fees designed to influence motor vehicle use, but are imposed to collect revenues for general use by government; and (ii) for the most part, consumer and business dollars spent on motor vehicles would otherwise have been spent on other goods and services that would have also generated sales taxes; thus, the motor vehicle economy generates little *net* sales tax revenue for use by government. Both of these points are discussed directly below.

The distinction between taxes and user fees embodied in the first point was articulated a decade ago by Prof. Kenneth Small in a special report for New York State:

Taxes are levies on a measure of economic activity and are intended to raise revenue for general use. Taxes should avoid causing unintentional distortions in economic decision making... In contrast to taxes, user charges are intended to charge an individual or firm for the use of a particular service or facility... Sales tax[es] on automobile purchases, repair and fuel should not be considered a part of highway user fees.¹⁸

Second, sales taxes generated by sale of motor vehicles and associated products are an artifact of an economy characterized by heavy use of cars and trucks. An alternative economy making greater use of non-automotive transport would generate sales taxes on alternative goods and services. Some of these would be bicycles, sneakers, all-weather clothing and other goods used for alternative travel modes; more would be the galaxy of other products that would attract

¹⁸ State of New York, Legislative Commission on the Modernization and Simplification of Tax Administration and the Tax Law, *Transportation Taxes in New York State*, May 17, 1983 (preliminary analysis, attributed to Prof. Kenneth Small, Princeton University), executive summary.

consumer dollars freed by reduced use of motor vehicles — families cutting back from two or three cars to one or none would have greater discretionary income with which to purchase other things.

It is true that our automotive-based economy almost certainly has greater throughput, and therefore generates greater sales taxes, than a hypothetical economy less heavily reliant on motor vehicles; thus, the sales taxes in the alternative economy would not fully replace those generated at present. Nevertheless, it is the differential between the two, and not the gross level of sales taxes, that should be reflected in an analysis such as this.

Obviously, such an exercise — stipulating a non-motor vehicle based economy and estimating its throughput and associated sales taxes — is beyond our scope. We believe the purpose of our report, to estimate the relationship between vehicle user fees such as tolls, taxes, fines and fees, and governmental expenditures to support driving — is best served by omitting general sales taxes.

What is the effect of our exclusion? New York State expenditures on motor vehicles subject to sales taxes totaled an estimated \$28.5 billion in 1990.¹⁹ Applying an average combined local-state sales tax rate of 7%, total sales taxes on motor vehicles in New York State were approximately \$2.0 billion. At the same time, land taken up by cars and trucks just in New York City — roughly half of street space (assuming that the other half is needed as a “common carrier” for municipal and essential vehicles, cycling and walking) — also represents foregone tax revenues of \$2 billion a year (see table in Appendix A); statewide, the figure is probably on the order of \$5 billion (as shown in the same table, the figure for the 25-county metropolitan area, whose population roughly equal to that of New York State as a whole, is \$4.9 billion). Thus, sales taxes excluded from the revenue side appear to be less than half of the value of land and street space excluded from the government expenditure side.

¹⁹ Taxable expenditures on automobile travel in the United States totaled approximately \$460 billion in 1990, according to Eno Foundation, *Transportation in America, 1992* (vehicles, \$217 billion; tires and tubes, \$25 billion; gas and oil, \$119 billion; repair, maintenance, parking, storage and rental, \$98 billion). To estimate freight trucking, for which data were not readily available, we added 25%, for a total of \$575 billion. New York State vehicle miles traveled in 1990 were 5.0% of the U.S. total (107 billion vs. 2,147 billion), giving a prorated estimate of New York State taxable expenditures for motor vehicle travel of \$28.5 billion.

**Table 1 - Summary
New York State Motor Vehicle Revenue And Expenditures
Circa 1991, in millions**

	Revenue	Expenditure	Subsidy
LOCALITIES	\$864.1	\$3,015.1	\$2,150.9
New York City	\$657.5	\$1,017.8	\$360.3
Parking Tax	\$85.0		
Commercial MV Tax	\$27.1		
Auto Use Tax (Registration)	\$28.2		
Taxi Licenses & Fees	\$33.7		
DOT License & Fees	\$46.5		
Parking Meter Revenue	\$59.0		
Parking Violations	\$327.3		
Police Auto Auction	\$5.8		
Leaded Gas Tax	\$0.1		
V&T Fines & Surcharges	\$44.8		
DOT Administration		\$39.2	
Highway Oper. & Construction		\$299.6	
Traffic Operations		\$259.1	
Bridges		\$138.0	
Parking Violations		\$58.4	
Equipment & Power		\$3.4	
Taxi Licenses & Fees		\$17.8	
Police (10% of Budget Estimate)		\$168.8	
Fire (5% of Budget Estimate)		\$33.4	
Other Localities	\$206.6	\$1,997.3	\$1,790.6
MV-User Fees	\$60.2		
V&T Fines	\$146.4		
Capital		\$593.4	
Maintenance		\$993.5	
Administration & Engineering		\$116.5	
Highway & Traffic Police		\$14.0	
Debt Service		\$241.3	
Payments to Other Govts		\$11.5	
Court Costs		\$27.0	
STATE	\$1,555.1	\$2,215.6	\$660.4
Petroleum/Oil Business Tax	\$382.7		
Trucking Corporation Tax	\$24.4		
Motor Fuel Tax	\$505.1		
Petroleum Testing Fees	\$1.6		
M-V Registration Fees	\$462.2		
DMV Search Fees	\$45.2		
Highway Use Taxes	\$115.5		
Auto Rental Tax	\$18.5		
Dept. of Motor Vehicles		\$162.7	
State Police		\$41.0	
Traffic Safety		\$28.7	
DOT Admin. & Regulation		\$40.0	
Property & Equipment		\$55.2	
Highway Maintenance		\$250.0	
Highway Facilities		\$417.7	
Engineering		\$550.4	
Road & Bridge Improvement		\$628.2	
State Parkways		\$39.7	
Miscellaneous		\$2.0	
PUBLIC AUTHORITIES	\$1,264.2	\$902.5	(\$361.7)
Triboro Bridge & Tunnel	\$684.2	\$299.6	(\$384.6)
Port Authority of NY & NJ	\$245.6	\$118.8	(\$126.8)
NYS Thruway Authority	\$287.4	\$423.3	\$135.9
NYS Bridge Authority	\$19.9	\$29.0	\$9.1
Other Authorities	\$27.0	\$31.8	\$4.8
FEDERAL	\$854.6	\$805.2	(\$49.4)
Motor Fuels Tax Paid in NY	\$854.6		
Grants from Highway Trust Fund		\$805.2	
TOTAL	\$4,538.1	\$6,938.4	\$2,400.3

Table 2 - New York City

**New York City Motor Vehicle User Revenues and Expenditures
Fiscal Year 1991-1992, In millions**

REVENUES		EXPENDITURES	
Mayorality		Dept of Transportation-Operating	
NYC/MAC Parking Sales Tax (14%)	85.0	Administration (90%)	39.2
Leaded Gas Tax	0.1	Highway Operations	85.0
Commercial MV Tax	26.9	Traffic Operations	226.5
Auto Use Tax (Registration)	28.2	Bridges	51.2
Taxi Medallion Transfer	5.3	Parking Violations Bureau	52.4
	<hr/> \$145.5		<hr/> \$454.3
Dept of Finance		Dept of Transportation-Capital Projects	
Commercial MV Tax	\$0.2	Bridges	86.8
		Highway Operations	214.6
Dept of Transportation		Traffic	32.6
Street Inspection Fees	23.0	Equipment (75%)	2.9
Towing Fees	23.5	Gas and Electricity (75%)	0.5
Parking Meter Revenue	59.0		<hr/> \$337.4
Parking Violations	276.7		
	<hr/> \$382.2	Dept of Transportation Total	\$791.7
City Sheriff		Taxi & Limousine Commission	\$17.8
Parking Violations	\$50.6		
Taxi & Limousine Commission		City Sheriff's Office	
Licenses & Fees	23.3	(60% of Total Budget)	\$6.0
Fines	5.1		
	<hr/> \$28.4	Police Department	
Police Department		(10% of Total Budget)	\$168.8
Auto Auction	\$5.8		
		Fire Department	
		(5% of Total Budget)	\$33.4
Total NYC MV-User Revenue	\$612.7	Total NYC MV Expenditures	\$1,017.8
(Vehicle & Traffic Fines and Surcharges for New York City included in Table 4 -	\$44.8)	Subsidy (Expenses > Revenue)	\$405.0

Source: Comprehensive Annual Financial Report of the Comptroller for the Fiscal Year Ended June 30, 1992.
Actual 1992 Revenue and Expenditures.

REVENUES: General Fund-Schedule G3: Revenues vs. Budget by Agency; Parking Tax from NYC Department of Taxation & Finance, Table: NYC & MAC Sales & Use Taxes on Services NYC FY 1991-1992. Auto Auction revenues from Shawn Brannigan, NYC Police Dept. 11/16/93.

EXPENDITURES: General Fund-Schedule G5: Expenditures and Transfers vs. Budget by Unit of Appropriation Within Agency; Capital Projects Fund-Schedule CP4: Expenditures by Purpose. 60% of Sheriff's Office budget for parking violation collections per Jeanette McNulty, Asst. to the Sheriff, 10/20/93. Police Dept. Traffic Division budget \$23.6 million per Shawn Brannigan, Police Dept., 11/17/93. See text for explanation of percentages of expenditure budget figures for Police and Fire. Revenues and expenditures for city toll crossings included below under Public Authorities.

Table 3 - Other Localities

**Other Localities Highway (Motor Vehicle-User) Receipts and Expenditures
in New York State, 1991**

**Excluding New York City, State and Federal Receipts & Expenditures
(millions)**

RECEIPTS		EXPENDITURES	
Motor Vehicle User-Derived Revenue			
MV-Road User Taxes	0.1	Capital	593.4
Other Local Receipts	60.1	Maintenance	993.5
Total MV-Derived Revenue	60.2	Administration & Engineering	116.5
		Highway & Traffic Police	14.0
Non-User Derived Revenue		Debt Service on Bonds (Interest)	51.1
Property Taxes	549.2	Debt Service on Bonds (Redemption)	97.0
General Fund Appropriations	815.0	Debt Service on Notes (Interest)	11.6
Receipts from Other Local Govts	111.7	Debt Service on Notes (Redemption)	81.6
Receipts from State Government	187.2	Payments to other Local Govts.	11.5
Receipts from Federal Government	29.5	TOTAL EXPENDITURE	\$1,970.3
Bond Sale Proceeds	155.9		
Notes	119.7	Collection Expense: Fines & Surcharges	
Total Non-User Derived Revenue	1,968.3	Total Fines	\$135.2
Total Revenue	\$2,028.5	Percent of Fines (Estimate)	20%
		Total State & Local Court Costs	\$27.0
Fine & Surcharge Revenue	\$146.4		
		TOTAL MV EXPENDITURE	\$1,997.3
TOTAL USER REVENUE	\$206.6		
		EXCESS OF MV-USER EXPENDITURES OVER MV-USER REVENUES	\$1,790.6

Source: FHWA Form 536, Local Highway Finance Report, for New York City, Municipalities and Non-Municipalities compiled by NYS Department of Transportation. See Table 4 for fine & surcharge sources.

Table 4 - Local Fines & Surcharges

Revenues from Motor Vehicle-User Fines and Surcharges
Collected by State Courts, FY 1991-1992
(millions)

State Revenue		Local Revenue	
Vehicle & Traffic Fines	7.5	DWI Fines	6.3
V & T Felony Surcharge	0.01	Parking Fines*	10.3
V & T Misdemeanor Surcharge	0.1	State-Collected Local Fines	\$16.6
Equipment Violation Surcharge	0.2		
Parking Violation Surcharge*	1.6	*Albany, Buffalo, Syracuse and Yonkers Only	
Other V & T Surcharge	4.3		
Total State Fines & Surcharges	\$13.7	TOTAL	\$30.3

Source: Charles Hughes, Office of Management Support, New York State Unified Court System, Office of Court Administration, Table: Unified Court System Motor Vehicle Revenues. Yonkers figures from Yonkers PVB, letter 12/28/93. Buffalo figures from Buffalo PVB, letter 1/13/94.

Revenues from Motor Vehicle-User Fines and Surcharges
Collected by Department of Motor Vehicles Administrative Adjudication
and Deposited in the Justice Court Fund, FY 1990-1991
(millions)

New York City	\$44.8	Other Localities	\$11.2
Vehicle & Traffic Fines	\$34.7	Vehicle & Traffic Fines	\$8.7
Surcharges	\$10.1	Surcharges	\$2.5
Total Fines (add across)	\$43.4	Total Surcharges (add across)	\$12.6

Source: Telecom, Ken Kimball, NYS DMV, (518) 473-3689, 23-NOV-93.

Village and Town Vehicle & Traffic Fines
Deposited in Justice Court Fund, 1991-1992
(millions)

Distribution - State		Distribution - Local	
General Fund	28.0	Local DWI	43.4
Criminal Justice Services	20.5	Local Fees	10.5
Commercial Vehicle Safety	1.1	Total Local	\$53.9
Weights & Dimensions	1.3		
Total State	\$51.0	Total Town & Village MV Fines	\$104.9

Source: Provided via FOIA request to Cynthia Munk, Office of State Comptroller, response 11/19/93.

Total Vehicle & Traffic Law Violation Fines & Surcharges

Other Localities Fines & Surcharges	\$146.4
New York City Fines & Surcharges	\$44.8

Table 5 - State Revenues

New York State Motorized Vehicle-User Tax Collections, 1991 (millions)

TAXES

Petroleum Business Tax (MV-Derived)	377.8
Lubricating Oil Tax (MV-Derived)	4.9
Transportation Corps. Tax (Trucking)	24.4
Motor Fuel	505.1
Petroleum Testing Fees	1.6
Motor Vehicle Registration Fees, etc.	462.2
Highway Use - Truck Mileage	87.5
Highway Use - Permits	5.5
Highway Use - Fuel Use	22.5
Auto Rental	18.5
TOTAL	\$1,509.9

Source: NYS Dept. of Taxation and Finance, *1990-1991 Statistical Report of New York State Tax Collections*, Office of Tax Policy Analysis, Jan. 1992, Table 3B. Trucking share of Transportation Corp. Tax according to Steven Zych (NYS T&F), telecom Nov. 4, 1993.

New York State Department of Motor Vehicles Miscellaneous Receipts, FY 1990-1991

Record Search Fees **\$45.2 million**

DMV raised this amount through fees charged to insurance companies, lawyers, and private individuals for records relating to licenses, registration and titling.

Source: Telecom, Ken Kimball, NYS DMV, (518) 473-3689, 23-Nov-93.

Table 6 - New York State Expenditures

**New York State Motor Vehicle-User Expenditures From the General and
MV-User Dedicated Funds, FY1990-1991**

(millions)

Excludes expenditures fully reimbursed by the Federal Government or Thruway Authorities.

Dept. of Motor Vehicles	\$162.7	
State Police		
Traffic Law Enforcement (1/3 total patrol budget)	38.4	
Vehicle Dimension & Weight Enforcement	<u>2.6</u>	
TOTAL	\$41.0	
Governor's Traffic Safety Committee	\$0.5	
Dept. of Transportation - State Operations		
Administration	36.2	
Motor Freight Regulation (75% total regulation)	3.8	
Surplus Property	10.2	
Traffic & Safety	28.2	
Highway Maintenance	250.0	
Equipment Management	<u>45.0</u>	
TOTAL	\$373.5	
Dept. of Transportation - Capital Projects		
Niagara Transportation Authority	1.0	
Highway Facilities	417.7	
Engineering	550.4	
Road & Bridge Improvement (Bonds)	628.2	
State Parkways	39.7	
Highway-RR Crossing Alterations	<u>1.0</u>	
TOTAL	\$1,638.0	
Total State & User-Funded Expenditures		\$2,215.6
Total User-Funds Collected		\$1,701.6
Total Excess Expenditure Over User-Funds		\$514.0

Source: New York State Executive Budget, 1991-1992, Funds Available 1990-1991, Chapters on State Police, Dept. of Motor Vehicles, Governor's Traffic Safety Commission, and Dept. of Transportation.

Table 7A - Public Authorities

**New York Public Authorities Motor Vehicle-User Revenues And Expenditures, 1991
(millions)**

	Revenues	Expenditures	Subsidy
Triborough Bridge & Tunnel Authority*	684.2	299.6	-384.6
Port Authority of NY & NJ**	245.6	118.8	-126.8
NYS Thruway Authority	287.4	423.3	135.9
New York State Bridge Authority	19.9	29.0	9.1
St. Lawrence Seaway Dev. Corp.	2.3	1.8	-0.5
Ogdensburg Bridge & Port Authority	1.8	1.6	-0.2
Buffalo & Ft. Erie Bridge Authority	7.6	9.6	2.0
Niagara Falls Bridge Commission	9.9	13.2	3.3
Thousand Island Bridge Authority	5.4	5.5	0.1
TOTAL	\$1,264.2	\$902.5	(\$361.7)

* See Tables 7B.

** See Tables 7C.

Source: TBTA: Metropolitan Transportation Authority Annual Report, 1992, p. 158 and FHWA, Highway Statistics 1992; Others, FHWA, Highway Statistics 1991, Tables SF-3B, SF-4B. Because the Port Authority serves both New York and New Jersey, we include only 50% of Port Authority revenues and expenditures in our New York State tally.

Table 7B - Triborough Bridge and Tunnel Authority
TBTA Motor Vehicle-User Revenues and Expenditures, 1992
(millions)

<u>Revenue</u>		<u>Expenditures</u>	
Tolls	653.7	Operating Costs	163.2
Rent	7.3	Capital Investment	37.8
Investments	23.3	Depreciation	14.5
Total Revenue	\$684.2	Interest	25.2
		Bond Retirement	58.9
		Total Expenditures	\$299.6
Revenue Over Expenditures		\$384.6	

Actual Allocation of TBTA Transit Subsidy, 1992
(millions)

TBTA contributes excess tolls to the MTA. According to a formula in the Public Authorities Law, MTA divides a part of the excess tolls between the New York City Transit Authority and the suburban rail lines. The MTA uses another portion of the excess tolls to pay its debt. Below we show the distribution of the 1992 excess TBTA tolls. For accounting reasons, the transit subsidy is slightly different than the above "revenue vs. expenditure" subsidy estimate.

Operating Subsidy to NYC Transit Authority	\$100.6	26%
<u>MTA Subsidy (Non-Transit Authority)</u>		
Operating Subsidy to Suburban Rail	\$161.0	
Interest Expense for MTA	\$98.0	
Debt Service for MTA Bonds	\$22.5	
Total MTA Subsidy	\$281.6	74%
Total Transit Subsidy	\$382.2	

Allocation of Estimated Transit Subsidy Between New York City and New York State
(millions)

The TBTA transit subsidy benefits both New York City and suburban New York residents. While more of the subsidy goes to suburban rail than to NYC transit, New York City residents also benefit from suburban rail service. It should also be noted that suburbanites benefit from NYC transit service. Given this crossover of benefits, we allocated the subsidy evenly between New York State and New York City.

Total Estimated Subsidy		\$384.6
Percent Allocated to New York City	50%	\$192.3
Percent Allocated to New York State	50%	\$192.3

Source: MTA 1992 Annual Report, Table TBTA Statement of Operations. Capital investment from TBTA Director of Finance, Fred Lucas, telecom 05-Jan-94. TBTA Interest and Bond Retirement from FHWA, Highway Statistics, 1991 and 1992, Tables Municipal and Local Government Toll Receipts and Disbursements. Transit Subsidy from MTA 1992 Annual Report, Statement of Operations and Note 12.

Table 7C - Port Authority of New York and New Jersey
Port Authority of New York & New Jersey, 1992
(millions)

Facility	Revenue	O&M	Allocated Expenses	Amor-tization	Interest	Total Expendits.	Subsidy
GW Bridge & Bus Stat.	224.9	47.6	13.9	6.8	9.4	77.6	-147.2
Holland Tunnel	66.0	33.4	6.3	6.9	6.4	53.0	-13.0
Lincoln Tunnel	82.6	42.2	8.2	5.5	7.6	63.5	-19.1
Bayonne Bridge	8.9	6.7	1.2	2.1	1.7	11.8	2.9
Goethals Bridge	53.0	12.0	3.4	0.7	0.6	16.7	-36.3
Outerbridge Crossing	55.9	8.9	3.2	1.7	1.2	15.1	-40.8
Total	\$491.2					\$237.6	(\$253.6)
Percent New York (remainder New Jersey)				50%			
Total New York	\$245.6					\$118.8	\$126.8

Allocation of "Negative" Subsidy

Percent New York City	50%	Percent New York State	50%
New York City Share	\$63.4	New York State Share	\$63.4

Note: We do not have separate information for the George Washington Bridge and Bus Station. The Port Authority consolidates its finances from all its operations. Allocated expenses are each facility's share of Port Authority overhead.

Source: Port Authority of New York & New Jersey 1992 Annual Report, Schedule E, Information on Port Authority Operations.

Table 8 - 1992 State Revenues

**New York State Motor Vehicle Revenue And Expenditures
Circa 1991, in millions**

(Using 1992 Instead of 1991 NYS MV-User Petroleum Business and other
State Tax Collections)

	Revenue	Expenditure	Subsidy
Localities	\$864.1	\$3,015.1	\$2,150.9
New York City	\$657.5	\$1,017.8	\$360.3
Other Localities	\$206.6	\$1,997.3	\$1,790.6
State	\$1,937.7	\$2,215.6	\$277.9
Public Authorities	\$1,264.2	\$902.5	(\$361.7)
Federal	\$854.6	\$805.2	(\$49.4)
Total	\$4,920.6	\$6,938.4	\$2,017.7

1992 total New York State user revenue -- only changed figure from 1991

New York State Motor Vehicle-User Tax Collections, 1992
(Excludes non-tax user fees such as fines.)
(millions)

TAXES

Petroleum Business Tax (MV-Derived)	712.7
Lubricating Oils Tax (MV-Derived)	11.7
Transportation Corps. Tax (Trucking)	19.6
Motor Fuel	492.4
Petroleum Testing Fees	2.8
Motor Vehicle Registration Fees, etc.	493.2
Highway Use - Truck Mileage	112.5
Highway Use - Permits	3.3
Highway Use - Fuel Use	23.1
Auto Rental	21.1
TOTAL	\$1,892.5

Source: NYS Dept. of Taxation and Finance, Office of Tax Policy Analysis, 1992-1993
Statistical Report of New York State Tax Collections, Table 3. Transportation Corporation
Tax trucking share derived using 1991 share.

Table 9 - State Comparison

**NYS Dept. of Transportation 10-Year Comparison of State Level
Highway Related State Expenditures versus Highway Revenues
(millions)**

(state funds only)

Year	Total Expenditure	Total Revenue	Excess Expenditure
FY78-79	751	818	-67
FY79-80	832	789	43
FY80-81	868	765	103
FY81-82	942	777	165
FY82-83	968	775	193
FY83-84	932	898	34
FY84-85	1030	920	110
FY85-86	1206	957	249
FY86-87	1346	962	384
FY87-88	1307	998	309
All Years, Average	\$1,018	\$866	\$152
FY79-80 to FY87-88, Average	\$1,048	\$871	\$177
FY85-86 to FY87-88, Average	\$1,286	\$972	\$314
Average annual growth of excess expenditure, 1979-88			24%

Source: Mark Kraichy, NYS Dept. of Transportation, Policy and Development Group. Table dated Aug. 18, 1988.

Table 10 - AAA Comparison

Highway User Taxes, Bond Receipts and Related Appropriations
(millions of dollars)

Source: Executive Budget and Laws of 1992

HIGHWAY RELATED RECEIPTS

<u>Highway User Tax Revenues</u>	<u>FY 1991-92</u>	<u>FY 1992-93</u>	<u>Page</u>
Motor Fuel Tax	459	474	A73
Vehicle Reg. & Lic. Fees	463	477	A75
Highway Use Tax	147	143	A66
4% Sales Tax	426	349	estimate
Petroleum Business Tax(70%)	477	890	A84
Motor Fuel Quality	1	2	estimate
<u>Auto Insurance Theft Surcharge</u>	<u>0</u>	<u>11</u>	estimate
Total Tax Receipts	1973	2346	

Highway Bond Proceeds

Rebuild New York Bond \$	660	514	p111
TOTAL RECEIPTS	2633	2860	

HIGHWAY RELATED APPROPRIATIONS

Agency Budgets(including benefits)

Agr. & Mkts. Fuel Quality Program	0	1	Chapter 50
State Police (71%)	169	184	p283
DMV	163	166	p103
<u>SDOT</u>	<u>390</u>	<u>340</u>	p118
Total	722	691	

Debt Service

Combined Total	221	348	Comptroller estimate
----------------	-----	-----	----------------------

Local Assistance

CHIPS	222	230	Transportation Committee
-------	-----	-----	--------------------------

Capital Projects

Pavement	134	130	p111-113
Bridges	369	172	"
Capacity	113	430	"
Safety	29	30	"
Parkways	23	19	"
Suburban Transportation	250	250	"
Local Highways & Bridges	86	67	"
Engineering Services	<u>176</u>	<u>175</u>	"
Total	1180	1273	

TOTAL APPROPRIATIONS	2345	2542	
-----------------------------	-------------	-------------	--

Excess of Receipts Over Appropriations

	288	318	
--	-----	-----	--

Table From: John Corlett, Government Relations, Automobile Club of New York, faxed Oct. 13, 1993

About the Publishers and Authors of This Report

The Tri-State Transportation Campaign is a coalition of thirteen community, public-interest and environmental organizations in New York, New Jersey and Connecticut. The Campaign was formed in 1993 to help create an environmentally sound, economically efficient and socially responsible transportation system in the 32-county region in and surrounding New York City, from Trenton to Hartford. See inside front cover for information on contacting Campaign members and central staff.

Komanoff Energy Associates, established in 1977, analyzes policy issues in energy, electricity and transport. KEA clients have included the U.S. Departments of Energy and Transportation; Congress's General Accounting Office and Office of Technology Assessment; agencies in 20 states including New York, New Jersey, California, Texas, Illinois and Pennsylvania; national and grassroots environmental and public-interest groups; and business organizations.

Cora Roelofs was a research analyst with Komanoff Energy Associates from 1990 to 1994, where she worked extensively on the costs of nuclear power, road accidents and air pollution from power plants and vehicles. Cora's investigation of taxpayer subsidies to the nuclear power industry was a major part of KEA's 1992 report for Greenpeace, *Fiscal Fission — The Economic Failure of Nuclear Power*. She was co-author of *Environmental Benefits of Bicycling and Walking in the United States*, KEA's 1993 report for the Federal Highway Administration's National Bicycling and Walking Study.

Charles Komanoff has been a consulting economist and environmental activist for over two decades. His research and writing on nuclear reactor costs in the 1970s and 1980s helped steer government and business away from nuclear power and toward energy efficiency. As president of Transportation Alternatives in the late 1980s and early 1990s, Charles helped energize the environmental bicycling movement in New York and other cities. He is author of four books on energy and transport economics and policy, including *Bicycle Blueprint: A Plan to Bring Bicycling into the Mainstream in New York City* (with Michele Herman, Jon Orcutt and David Perry), and *Power Plant Cost Escalation: Nuclear and Coal Capital Costs, Regulation and Economics*.

Additional copies of Subsidies for Traffic are available for \$5 per copy, as are copies of **Crossroads**, a parallel study of motorist subsidies in New Jersey. Contact the Tri-State Transportation Campaign, 212-777-8181, 281 Park Avenue South, New York, NY 10010, tstc@igc.org.

The Campaign's Citizens Action Plan is a 105-page report outlining transit improvements, roadway pricing measures and land use policies to promote accessibility, environmental quality and livable communities in the 32-county NY/NJ/CT metropolitan region: The **Citizens Action Plan** is available for \$7 per copy. Call or write Tri-State for copies. There is no charge for the Campaign's 6-page brochure.

Additional Tri-State reports are listed on the World Wide Web at <http://www.tstc.org/tstc/pages/tstcpub.html>.