A BETTER CITY

REPORT NOVEMBER 2019

FUNDING TRANSPORTATION SOLUTIONS

A COMPREHENSIVE TRANSPORTATION FINANCE PLAN FOR A BETTER COMMONWEALTH

ACKNOWLEDGMENTS

A Better City would like to thank the various business stakeholders, advocates, and public officials for their partnership and ongoing collaboration as we strive to create a 21st Century transportation system for the Commonwealth of Massachusetts. We are grateful to Tom Ryan, Senior Advisor on Policy, Government and Community Affairs, and Kathryn Carlson, Director of Transportation, for leading the analysis and presentation of this work. We also thank James Aloisi for his invaluable counsel and contributions.

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CONTENTS

1 Letter from the President & CEO

2 Introduction

4 Part I: The Problem

5 Part II: The Solution

8 Part III: The Benefits

9 Appendix A: Illustrative Project Chart

10 Appendix B: Basic Revenue Assumptions

A Better City is a diverse group of business leaders united around a common goal—to enhance Boston and the region's economic health, competitiveness, vibrancy, sustainability and quality of life. By amplifying the voice of the business community through collaboration and consensus across a broad range of stakeholders, A Better City develops solutions and influences policy in three critical areas central to the Boston region's economic competitiveness and growth: transportation and infrastructure, land use and development, and energy and environment.

LETTER FROM THE PRESIDENT & CEO

Dear Colleague:

Following through on the recent work of A Better City, we focused on designing a comprehensive transportation finance plan for Massachusetts. Our goal is to meet the current funding gap needs described in our February 2019 *An Update on Transportation Finance* report and to deliver on the recommendations presented in Governor Baker's December 2018 *Commission on the Future of Transportation* report.

This year, legislative leaders have called for ideas from the business community and we have responded by doing the homework—and by sharing it with our colleagues both inside and outside of government, in Boston and throughout the Commonwealth, in an effort to build support and momentum on a path forward. As several key business associations are now releasing reports and agendas, A Better City's transportation finance plan provides important financial context and strategies to help achieve a number of common goals, such as keeping the transportation system safe and reliable, improving access and transit to meet a growing economy and population, relieving congestion, and achieving decarbonization and resiliency. Another example of the need for a comprehensive transportation finance plan is the recent vote of the MBTA's Financial and Management Control Board to transform and electrify the regional rail system. This is critically important, however, the up to $30 billion price tag is currently unfunded.

This document represents key points and financial analysis discussed collaboratively by A Better City for the last six months. We look forward to sharing this homework more broadly, as the stakes for Massachusetts will impact businesses, residents, and visitors alike. The Commonwealth needs to substantively engage in shaping a 21st Century transportation system to ensure the state's global competitiveness and sustainability. We are all in this together.

I hope this briefing on transportation funding helps to inform the debate and the legislative process set to take place in the immediate future.

Sincerely,

Richard A. Dimino
President & CEO, A Better City

INTRODUCTION

Greater Boston's economy is facing a triple threat—the nation's worst traffic, unreliable transit, and acute climate impacts. Beyond the Boston area, communities across the Commonwealth are suffering from crumbling roads and bridges and poor public transit options.

A Better City has long advocated for both reforms and new revenue to address our growing statewide transportation crisis. In February 2018, A Better City released *The Transportation Dividend* report, which concluded that the future of the Massachusetts economy will be determined largely by the strength of our transit system and provided a clear strategy for future investment. The levels of growth that are expected over the next quarter century cannot be accommodated without investing strategically and deliberately in transit reliability, capacity, and connectivity. The report also found that the MBTA generates $11.4 billion per year in benefits—a 5x return on investment.

In February 2019, A Better City released *An Update on Transportation Finance* that identified a projected $8.4 billion transportation funding gap over the next ten years, just to properly maintain our existing transportation infrastructure at the MassDOT Highway Division and the MBTA. This analysis relied on MassDOT and MBTA capital plans and their asset management reports, which document significant unfunded needs based on current budget plans. These data justify the need for a long-term, comprehensive plan to raise new revenue for transportation. Since February, as a result of additional data

"DEVELOP A FISCALLY SOUND AND RESPONSIBLE TRANSPORTATION RESOURCE PLAN."

— Recommendation of Governor Baker's *Commission on the Future of Transportation* report, December 2018

from the MBTA, A Better City projects the funding needs have grown to be nearly $10 billion—and this does not include the costs for important expansion and modernization projects throughout the Commonwealth.

Building upon this work, A Better City is now releasing *Funding Transportation Solutions: A Comprehensive Transportation Finance Plan for A Better Commonwealth*. **This analysis makes the case for raising a minimum of $50 billion in new revenue over the next 20 years to create the 21st Century transportation system needed to sustain and foster continued economic growth. We also show the actionable, realistic path forward for generating this revenue from transportation sources of funding.**

A Better City's analysis is guided by the recommendations of Governor Baker's *Commission on the Future of Transportation* report, released in December 2018. This forward-looking report calls for major initiatives that are necessary to meet our transportation, mobility, and climate goals by 2040—and for the prioritization and funding of critically-needed investments. The Commission calls for "changes to current transportation governance and financial structures in order to better position Massachusetts for the transportation system that it needs in the next years and decades," and concludes its report with the recommendation to "develop a fiscally sound and responsible transportation resource plan: Among the most significant contributions that today's decision makers could make to the public for the year 2040 is to commit to providing sufficient resources for the proper maintenance, operation, and upgrades to the state's transportation network."[1]

Moreover, much of A Better City's work is both informed and amplified by a growing chorus of business leaders now calling for new revenue to stabilize and enhance the Commonwealth's transportation system. For example, the Greater Boston Chamber of Commerce recently released a report and surveyed a 28-member group of business leaders, finding "near unanimous" support for additional revenue, if coupled with accountability and project delivery reforms. Additionally, a coalition of nine business associations led by the Kendall Square Association recently released a multi-pronged proposal calling for the investment of new revenue to dramatically improve the Commonwealth's transportation system. Transportation for Massachusetts, a statewide advocacy organization, has also called for new revenue.

Our legislators continue to rise to the occasion. Under the leadership of House Speaker Robert DeLeo and Senate President Karen Spilka, both the Massachusetts House and Senate are expected to consider legislation that includes new revenue for transportation this session, which ends in July 2020. Governor Baker has also proposed a package of important reforms, as well as the Transportation Climate Initiative, which are referenced in this plan.

Enacting a suite of fair, equitable transportation source fees will raise new revenue to transform our transportation infrastructure. This approach will ultimately deliver three primary benefits—better transit, less traffic, and cleaner air. Moreover, these investments will build more resilient infrastructure and directly improve the health of our economy and the health of our communities.

The magnitude of this challenge is not unique to Massachusetts. Other metropolitan hubs like Los Angeles, Toronto, Seattle, and New York City are already enacting ambitious policies to make similarly sizeable investments in their transportation systems. This is a watershed moment—and Greater Boston and the Commonwealth simply cannot afford to wait.

PART 1: THE PROBLEM

TRAFFIC, TRANSIT, CLIMATE AND BEYOND

Greater Boston's economy is facing a triple threat—the nation's worst traffic, unreliable transit, and acute climate impacts. Beyond the Boston area, communities across the Commonwealth are suffering from crumbling roads and bridges and poor public transit options.

INSUFFICIENT FUNDING AND INADEQUATE PROPOSED SOLUTIONS

Current funding levels are insufficient and new proposals are inadequate. In fact, as the population booms, current funding levels cannot even address safety and state of good repair needs. Metro Boston is projected to continue growing through 2040 in population, jobs, and housing units, even though the cost of doing business in this region exceeds that of virtually all other northeast and "knowledge economy" regions, and exceeds the national metropolitan average by 20 percent.[2] In fact, Eastern Massachusetts is expected to add 430,000 people and 60,000 jobs by 2030[3]—and tens of billions in new investments will be needed to support this growth.

In recent years, MassDOT and the MBTA have improved their own management capacity to deliver on our statewide transportation infrastructure needs. Governor Baker, Secretary Pollack, and legislative leaders deserve significant praise for their vison in creating the MBTA Fiscal and Management Control Board and for driving the progress seen over the last few years. However, even with the increased funding available in our existing budget plans for MassDOT and the MBTA, there is a need for additional funding to support both today's needs and the changes recommended by the Future of Transportation Commission.

Governor Baker's recently proposed Transportation Bond Bill is consistent with the position that additional revenue is necessary for our transportation system. While many of the bond bill proposals are worth supporting, the bill proposes borrowing against future federal funds to pay for the needs of today. Moreover, the bill is silent on how to address most of the recommendations supported by the Future of Transportation Commission, particularly with respect to decarbonization, resiliency, enhanced regional rail, and electrification of our commuter rail network. These projects are essential and must be funded in the immediate future.

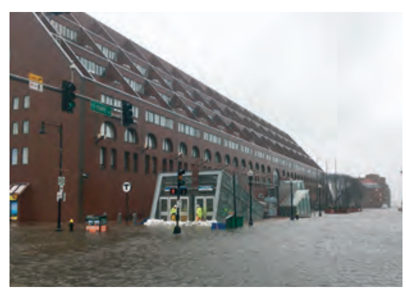
FIGURE 1: **Triple Threat to Our Economy**

WORST TRAFFIC

- Nearly $2,300 per person, per year in lost productivity
- 164 hours per year in peak traffic
- Increased cost of consumer goods

UNRELIABLE TRANSIT

- Disproportionate share of derailments compared to transit systems nationally
- Disproportionally longer commutes impacting low-income and minority communities
- Chronic underinvestment



CLIMATE IMPACTS

- 40 inches of sea level rise expected by 2070
- Road, bridges, and transit already impacted by extreme weather
- Full extent of system vulnerability is still unknown

Sources: INRIX, "2018 Global Traffic Scorecard"; Federal Transit Administration data; Metropolitan Area Planning Council Regional Indicators; City of Boston, "Climate Action Plan: 2019 Update"

PART II: THE SOLUTION

RAISING $50 BILLION OVER THE NEXT 20 YEARS

A Better City's analysis estimates approximately $10 billion in unfunded needs to achieve a State of Good Repair for the roads, bridges, tunnels, and infrastructure needs at MassHighway and the MBTA over the next ten years. Beyond simply achieving and maintaining a State of Good Repair, an additional $10 billion will be needed to increase roadway and transit capacity across the state, as MassDOT's projected capital plans do not account for the cost of advancing or implementing priority projects, including the Allston I-90 Interchange, MBTA Bus Maintenance Facilities, and the Red-Blue Connector. An additional $30 billion will be needed to modernize, decarbonize, and transform our statewide transportation system, as described in the *Future of Transportation Commission* report. Therefore, a minimum $50 billion cash investment over the next 20 years is needed to create the 21st Century transportation system that will sustain and foster continued economic growth. $50 billion is a conservative estimate of unfunded needs across the Commonwealth. See Appendix A for additional information.

> **"A MINIMUM $50 BILLION CASH INVESTMENT OVER THE NEXT 20 YEARS IS NEEDED TO CREATE A 21ST CENTURY TRANSPORTATION SYSTEM."**

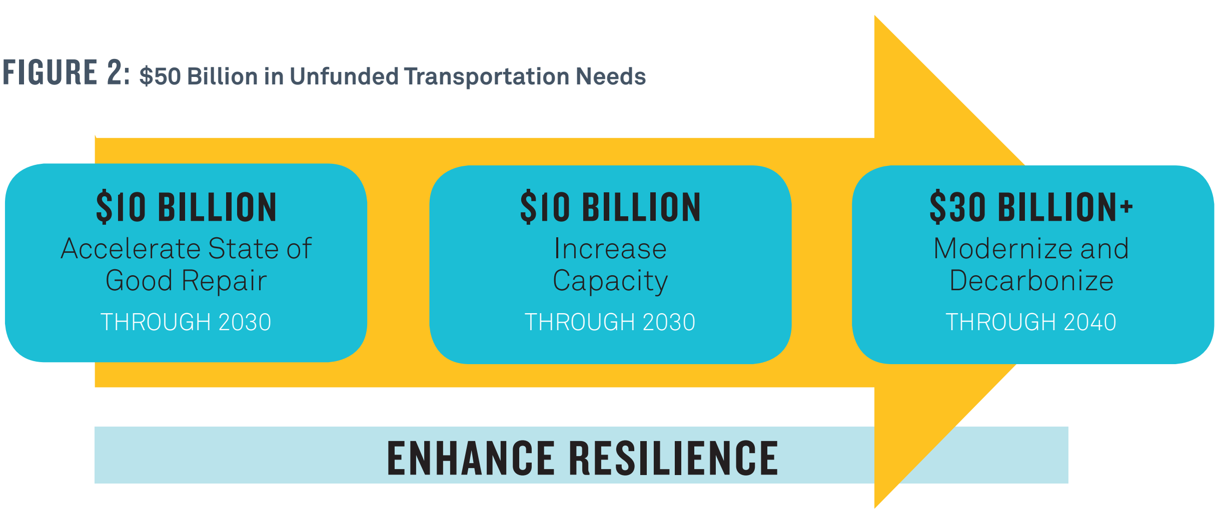
ENACTING FAIR, EQUITABLE TRANSPORTATION SOURCE FEES

Enacting a suite of *fair, equitable transportation source fees* will raise new revenue to transform our transportation infrastructure. See Figure 3 for a complete overview of recommended transportation source fees. For additional detail on revenue assumptions, see Appendix B.

RAISING REVENUE AND ENCOURAGING BEHAVIOR CHANGE

Unlike levying broad-based taxes, raising funds from transportation sources ensures that revenue is invested in transportation improvements—and not simply swept to the State's General Fund. Transportation source fees also encourage the behavior change needed to combat congestion and fight climate change.

FIGURE 2: **$50 Billion in Unfunded Transportation Needs**



Source: A Better City, "State of the Built Environment: An Update on Transportation Finance," 2019

FIGURE 3: Transportation Source Fees

1 ROADWAY PRICING

2 GAS TAX

3 TRANSPORTATION CLIMATE INITIATIVE

4 UBER/LYFT FEES

5 AUTO TRADE-IN LOOPHOLE

6 RMV FEES

7 PARKING SURCHARGE

INSTITUTING EXPANDED ROADWAY PRICING

While all sources of revenue are important, expanded roadway pricing is vital to accomplish a revenue plan that builds a 21st Century system. As shown in Figure 4, roadway pricing would account for more than half of the $50 billion in new cash revenue needed.

The roadway pricing plan explored here proposes collecting new tolls on specific highways in the Commonwealth. The revenue projections assume flat toll rates consistent with the prices currently being paid by drivers commuting on the Massachusetts Turnpike and Tobin Bridge. All tolls would be collected through the new All-Electronic Tolling (AET) collection system that is current in place throughout Massachusetts. Variable pricing could be implemented in the future.

The path forward is relatively simple. Massachusetts is eligible to apply to an existing federal program called the Value Pricing Pilot Program. This program is currently accepting applications and would allow the Commonwealth to add toll pricing to our highways. For additional information, see Appendix B.

FIGURE 4: Recommended New Revenue by Type

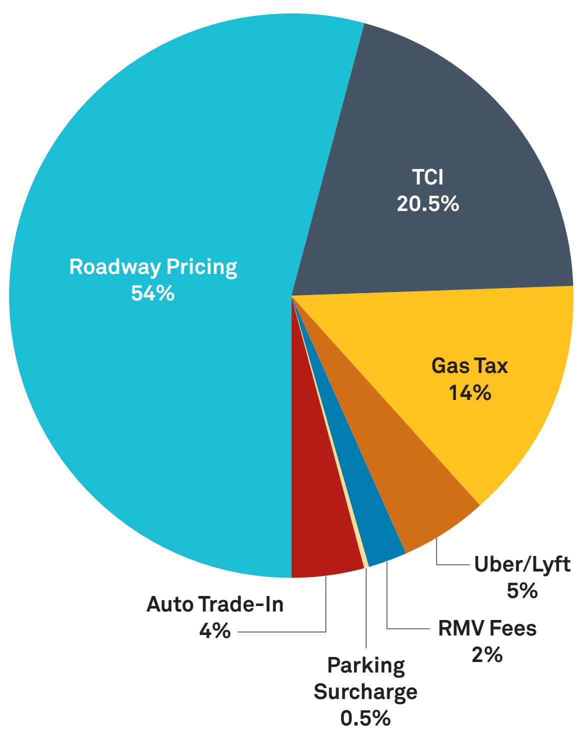


FIGURE 5: Actions Taken by Peer Regions

NEW YORK CITY
$17 Billion over 5 years
- TNC Fees
- Congestion Pricing in Lower Manhattan

SEATTLE
$54 Billion over 25 years
- RMV Fees
- Sales Tax
- Property Taxes

TORONTO
$60 Billion over 20 years
- Development Fees
- Sales Tax
- Fuel/Gas Tax
- Parking Levy

LOS ANGELES
$120 Billion over 40 years
- Sales Tax

ENSURING EQUITY

Structural protections can prioritize both social and regional equity, ensuring that the entire Commonwealth benefits—not just residents of Greater Boston. For example, rebates and/or tax credits for low-income residents and fare offsets for sustainable and active transit should be incorporated to ensure social equity, and regional investment targets should be enacted to ensure regional equity.

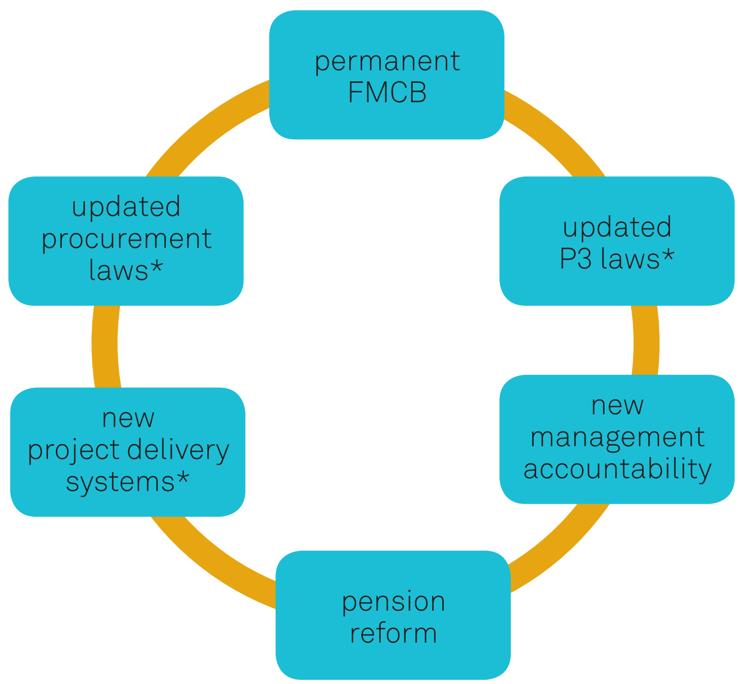
ENSURING GLOBAL COMPETITIVENESS

In recent years, other metropolitan hubs in the U.S. and Canada have pursued similarly sizable investments in transportation infrastructure. For example, Los Angeles is investing $120 billion over 40 years; Toronto is investing $60 billion over 20 years; Seattle is investing $54 billion over 25 years; New York City is investing $17 billion over 5 years.

ADVANCING ADDITIONAL REFORMS

Moreover, the investment of new revenue must be guided by enhanced reforms within MassDOT and the MBTA. This includes updated procurement laws, updated public private partnership (P3) laws, and new project delivery systems proposed in Governor Baker's recently filed Transportation Bond Bill.

FIGURE 6: Additional Recommended Policy Changes



* Denotes proposal in Governor Baker's recently released Transportation Bond Bill.

PART III: THE BENEFITS

This approach will ultimately deliver three primary benefits—**better transit, less traffic, and cleaner air**. These investments will build more resilient infrastructure and directly improve the health of our economy and the health of our communities.

Moreover, these investments will directly support population and job growth—ensuring the global competitiveness of Greater Boston and the Commonwealth for years to come.

FIGURE 7: Projected Benefits

PUBLIC TRANSIT

Every $1 invested in public transit generates $5 in economic returns—and every $1 billion invested in public transit supports and creates more than 50,000 jobs.

TRAFFIC CONGESTION

Traffic congestion is costing Massachusetts drivers 164 hours and nearly $2,300 each year. Fifty percent of Massachusetts voters have considered leaving their job and more than 30% have considered leaving the area due entirely to congested commutes.

AIR QUALITY

Poor air quality, often in places with more cars, contributes to Massachusetts being one of the 12 most difficult places to live in the U.S. with asthma.

Sources: A Better City, "The Transportation Dividend" Report, 2018; INRIX, "2018 Global Traffic Scorecard"; MassINC Polling; Asthma and Allergy Foundation of America

FIGURE 8: Projected Outcomes Supporting Population and Job Growth

INCREASING REGIONAL RAIL FREQUENCY
- 40–70% ridership increase
- 50–90 thousand new daily riders

ENHANCING CORE CAPACITY
- 40–50% ridership increase
- 370 thousand new daily riders

MANAGING EXISTING ROADWAYS
- 10–30% congestion decrease
- 10–20% emissions decrease

Source: MassDOT estimates; 2018 Tri-State Transportation Campaign

APPENDIX A

ILLUSTRATIVE PROJECT TABLE

The table below provides an illustrative project list, demonstrating the need for a $50 billion investment over the next 20 years. To be clear, $50 billion is a conservative estimate of unfunded needs across the Commonwealth, as true projected costs are not yet known for several critical projects. All estimates are in 2019 dollars.

STATE OF GOOD REPAIR NEEDS (THROUGH 2030)	ESTIMATE (BILLIONS)
MassHighway State-owned bridges	2.9
MassHighway Operations, Maintenance & Debt Service	2.0
MassHighway Non-Interstate pavement	0.8
MassHighway Tunnel Maintenance	0.3
MBTA Operations, Maintenance & Debt Service	3.0
Municipal Roads and Bridges	1.0
Total Estimated State of Good Repair Needs	10.0

CAPACITY NEEDS (THROUGH 2030)	ESTIMATE (BILLIONS)
Regional Rail Phase I Plus*	3.0
South Station Expansion	2.0
MBTA Bus Maintenance Facilities	1.4
I-90 Allston Interchange/ West Station	1.2
Regional Transit Authorities	0.5
MBTA Advanced Signals	0.5
MBTA Bus Rapid Transit	0.5
MBTA Red/Blue Connector	0.3
Water Transportation	0.1
Total Estimated Capacity Needs	9.5

* The $3 billion referenced is for Regional Rail Phase I Plus only—recent estimates suggest that a full regional rail transformation will cost approximately $30 billion, including electrification.

MODERNIZATION & DECARBONIZATION NEEDS (THROUGH 2040)	ESTIMATE (BILLIONS)
MassDOT/MBTA Resiliency (conservative estimate)	6.0
Commuter Rail Electrification	6.0
East/West High-Speed Rail	5.0
Regional Rail Phase 2	4.0
Cape Access & 93/95 Interchanges	3.0
I-91 Springfield	2.5
Silver Line Phase 3	2.5
Full Green Line Transformation	1.0
Total Estimated Modernization & Decarbonization Needs	30.0

APPENDIX B

BASIC REVENUE ASSUMPTIONS

This list of items would together generate $50 billion in new revenue over the next 20 years, under the following assumptions by revenue type. These numbers are on a cash-basis but could also be used for capital infrastructure financing. All estimates are in 2019 dollars.

INCREASE GAS TAX BY 11.5 CENTS PER GALLON

New Revenue FY21–2030	**$3.58 Billion**
New Revenue FY31–2040	**$3.44 Billion**
Total (in cash) by 2040	**$7.02 Billion**

An 11.5 cent gas tax increase would bring MA from 32nd to 11th in the nation (at 35.5 cents per gallon). MA would trail CT (42 cents), but be above RI (34 cents), VT (31 cents), ME (30 cents), and NH (22.2 cents) in New England states.

- Current rate of 24 cents per gallon increases to 35.5 cents per gallon
- Does not include the additional 2.5 cent per gallon underground storage tank fee
- Proposed increase would take effect starting in Jan 1, 2021
- Assumption of a -0.4 percent growth rate for gasoline consumption, as presented in the ABC/UMass Donahue Institute Update on Transportation Finance report
- Assume no subsequent gas tax increases between 2022–2040
- Assumes future increases in the price of carbon would be address through TCI
- An alternative approach to the gas tax and its relationship to TCI would be to pair the two concepts. Massachusetts should consider an initial increase of **25 cents per gallon** to the gas tax, in combination with specific step reductions to the per gallon rate when revenue targets from TCI are achieved. This would take into consideration a secure revenue stream for transportation needs with the timing, risks, and pricing unknowns of TCI.

CAPTURE TCI REVENUE

New Revenue FY21–2030	**$ 3.05 Billion**
New Revenue FY31–2040	**$ 7.25 Billion**
Total (in cash) by 2040	**$10.30 Billion**

- Assumes new revenue begins in 2022 (at $250 million a year)
- Assumes the new revenue generated would increase every other year to reach $450 million annually by 2030, which is consistent with the 2019 rates for the State of California
- For 2031-2040, assumes new revenue increases by $50 million a year

EXPAND ROADWAY PRICING ON I-93

To achieve expanded roadway pricing, Massachusetts would need to apply to the federal Value Pricing Pilot Program (VPPP) at the U.S. Department of Transportation Federal Highway Administration. This program is designed to evaluate the impact of road pricing strategies on traffic volumes, driver behavior, transit ridership, and air quality. It is appropriate for the current challenges identified in the Governor's congestion report and would allow for a rapid deployment of roadway pricing in Massachusetts.[4] A new state law would also be needed to authorize roadway pricing on select additional locations.

MassDOT would need to apply to this program, and conduct relevant feasibility studies on toll gantry locations, environmental impact reports, and a few other details required by VPPP. The traffic and congestion information in the Governor's Congestion in the Commonwealth report would be a natural component of a future application.

As a result of these steps, we expect that expanded roadway pricing could begin in 2022.

New Revenue FY21–2030	**$3.00 Billion**
New Revenue FY31–2040	**$5.38 Billion**
Total (in cash) by 2040	**$8.38 Billion**

- Estimate assumes pricing begins in July 1, 2022
- On I-93, we estimate a $2 toll, flat fee in both directions for the first four years (through FY26)
- In FY27, flat rates would increase gradually, once every five years, through 2040
- Using 2018 MassDOT annual traffic counts, there are currently 70 million cars each year traveling on I-93 near Medford and also 80 million cars on 93 in near Milton
- Estimates assume no growth in traffic volumes above 2018 numbers, nor any price difference for private versus commercial vehicles, different number of axles, nor E-Z pass-related transaction fees

EXPAND ROADWAY PRICING ON I-93/95 INTERCHANGES

New Revenue FY21–2030	**$1.19 Billion**
New Revenue FY31–2040	**$2.49 Billion**
Total (in cash) by 2040	**$3.68 Billion**

- Estimate assumes pricing begins in July 1, 2022
- At the I-93 / 95 interchanges, a $1 toll, flat fee in both directions onto I-93 for the first four years (through FY26)
- In FY27, flat rates would increase gradually, once every five years, through 2040
- Using 2018 MassDOT annual traffic counts, there are currently 60 million cars each year traveling on I-93 at the 95 Interchange in Woburn and 45 million cars at the interchange near Canton
- Estimates assume no growth in traffic volumes above 2018 numbers, nor any price difference for private versus commercial vehicles, different number of axles, nor E-Z pass-related transaction fees

ADD ROADWAY PRICING AT MASSACHUSETTS BORDERS

New Revenue FY21–2030	**$ 2.80 Billion**
New Revenue FY31–2040	**$ 7.70 Billion**
Total (in cash) by 2040	**$10.50 Billion**

- Estimates assume border pricing in July 1, 2022 at the following locations:
  - I-91 Vermont
  - I-91 Connecticut
  - I-93 New Hampshire
  - I-95 New Hampshire
  - I-95 Rhode Island
  - I-195 Rhode Island
  - I-295 Rhode Island
  - I-395 Connecticut
  - Route 3 New Hampshire
- Assumes a $1 toll flat fee in both directions at these border locations for the first four years through FY26
- In FY27, flat rates would increase gradually, once every five years, through 2040
- Estimates assume no growth in traffic volumes above 2018 numbers, nor any price difference for private versus commercial vehicles, different number of axles, nor E-Z pass-related transaction fees

INCREASE EXISTING TOLL RATES

New Revenue FY21-2030	**$0.80 Billion**
New Revenue FY31-2040	**$2.25 Billion**
Total (in cash) by 2040	**$3.05 Billion**

- Estimate assume 15 percent increase of existing toll rates starting in July 1, 2022
  - This would be the first toll rate increase in 15 years
- After FY31, another small rate change is assumed in order to achieve rate parity for tolled highways in Massachusetts

INSTITUTE ROADWAY ACCESS FEE TO LOGAN AIRPORT

New Revenue FY21–2030	**$0.40 Billion**
New Revenue FY31–2040	**$1.01 Billion**
Total (in cash) by 2040	**$1.41 Billion**

- Assumes proposed increase would take effect start in July 1, 2021
- Assumes a $2.50 flat fee toll to drive entering Logan Airport for all vehicles for the first four years (through FY26)
- After FY27, rates would increase gradually, once every five years, through 2040
- Approximately 13 million vehicles per year, with no price difference for private vs commercial vehicles
- Assumption is a portion of these funds would be transferred to Massport to support costs related to improving transportation service to and from Logan Airport

INCREASE TNC FEES BY $1.50 PER RIDE

New Revenue FY21–2030	**$1.13 Billion**
New Revenue FY31–2040	**$1.52 Billion**
Total (in cash) by 2040	**$2.65 Billion**

- TNC refers to Transportation Network Companies, including Uber and Lyft
- Current rate of 20 cents per ride increases to $1.70 cents per ride, flat fee at all times
- Proposed increase would take effect starting in January 1, 2021
- Assumes 80,000 trips, increasing by 3 percent per year

CLOSE AUTO TRADE-IN LOOPHOLE

New Revenue FY21–2030	**$1.00 Billion**
New Revenue FY31–2040	**$1.00 Billion**
Total (in cash) by 2040	**$2.00 Billion**

- According to the Commonwealth's "Tax Expenditure Budget," in most cases, motor vehicles and trailers bought in a trade-in transaction are only subject to sales tax[5] on the excess of the purchase price over the amount credited for the trade-in
- State's "Tax Expenditure Budget" shows the revenue of the current exemption cost the state $126 million in FY19—a new revenue target of $100 million per year could be paired with new incentives for the purchase of Battery Electric vehicles
- Proposed increase would take effect start in January 1, 2021

INCREASE RMV FEES

New Revenue FY21–2030	**$0.50 Billion**
New Revenue FY31–2040	**$0.50 Billion**
Total (in cash) by 2040	**$1.00 Billion**

- An average increase of 10 percent across all RMV fees
- Proposed increase would take effect start in January 1, 2021

INSTITUTE $1 COMMERCIAL PARKING SPACE SURCHARGE

New Revenue FY21–2030	**$0.10 Billion**
New Revenue FY31–2040	**$0.10 Billion**
Total (in cash) by 2040	**$0.20 Billion**

- Assumes $1 fee, per day on commercial parking spaces in Massachusetts
- Assumes approximately 30,000 commercial spaces
- Proposed increase would take effect start in January 1, 2021

ENDNOTES

1 https://www.mass.gov/files/documents/2018/12/14/FOTC-ExecutiveSummary.pdf

2 Moody's Analytics

3 Compiled from MAPC, Population and Housing Demand Projections, 2014

4 https://ops.fhwa.dot.gov/congestionpricing/value_pricing/index.htm

5 https://budget.digital.mass.gov/bb/h1/fy19h1/tax_19/items/htax3606.htm

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