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Senators Dilan, Hoylman Introduce Measure to Dedicate TNC Tax Revenues to Public Transit Coffers

Albany, N.Y. – Senator Martin Malavé Dilan and Senator Brad Hoylman today introduced a bill seeking to dedicate a portion of the sales tax revenue generated through Transportation Network Companies (TNC) such as UBER and Lyft to bolster dedicated public transit aid throughout New York State.

The bill would ensure that 25 percent of the gross TNC sales tax revenue within the state's general fund is dedicated to either the Metropolitan Transportation Authority (MTA) or for Upstate providers, the Public Transportation System Operating Assistance Account, depending on the origin of the initial trip.

"Transportation network companies have made a significant impact in New York City and it won't be long before their success expands statewide. Likewise, public transit ridership continues to increase as does the disparity between necessary upkeep and the funds to do so. Traditional ride services have played a part in closing this gap. It only makes sense that new technology-based services do the same," said Senator Martin Malavé Dilan, ranker Senate Transportation Committee.

In the last four years, transportation network companies have made significant gains in New York City and beyond. Estimated to soon be a billion dollar citywide enterprise, these services do not fall under existing tax law that allocates a portion of traditional medallion tax revenue to dedicated public transit accounts.

"A strong city needs strong mass transit. We should leverage the tremendous success of Uber and Lyft to further invest in the MTA. The bill I carry with Senator Dilan does just this, while not increasing fees or charges for private car services or their customers," said Senator Brad Hoylman.

In 2009 a fifty cent ($0.50) per-ride surcharge on all yellow taxi rides within New York City was established to stave off proposed system-wide service cuts and sharp fare increases. These surcharges amounted to about $85 million for the MTA Aid Trust Account. Since the proliferation of TNC's, the MTA estimates it lost $10 million in revenue last year alone. As TNC competition increases and existing services grow in popularity, the MTA expects these losses to grow.

Outside of the 12-county Metropolitan Commuter Transportation District, the transfer marks a new, and much needed, source of revenue for the Public Transportation System Operating Assistance Account.

The legislation does not impose any new taxes or fees.

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