

T2045 Revenue Sources: Considerations and Definitions

		REVENUE CONSIDERATIONS				PROCESS CONSIDERATIONS			POLICY CONSIDERATIONS	
		1. Could Generate Significant Revenue	2. Reliability	3. Growth Potential	4. Flexible	5. Ease of Establishment	6. Dedicated to Transportation	7. Ease of Administration	8. Equitable - Impact on Low Income Households	9. Ability to Support Policy Objectives
Vehicle-related										
A	Gas Tax, San Francisco	Low-Moderate	Moderate	Low	Moderate	High	Yes	High	Moderate	Moderate
B	Parking Fees, City Facilities	Low	Moderate	Moderate	High	High	Yes	High	Moderate	Moderate
C	Parking Tax	Low	Moderate	Low	Moderate	High	Can be	High	Moderate	Moderate
D	Vehicle License Fee (VLF) - San Francisco (SB 1492)	Low-High	High	High	High	High	No	High	Moderate	High
E	Vehicle Registration Fee (VRF) - Bicycle Infrastructure (SB 1183)	Low	High	Low	Low	High	Yes	High	Moderate	Moderate
Property-related										
F	Parcel Tax	Low-High	High	Low	High	High	Can be	High	Low	Low
G	Real Property Transfer Tax (RPTT)	Low	Low	High	High	High	Can be	High	Moderate	Low
H	Transportation Sustainability Fee (TSF) – Increase	Low	Low	Moderate	Moderate	High	Yes	High	High	Moderate
Paid by Individuals and Businesses										
I	Carbon Tax	Low	High	Moderate	High	High	Can be	High	Low	Low
J	Gross Receipts Tax: General Increase	Low	Moderate	High	High	High	Can be	High	Moderate	Low
K	Gross Receipts Tax: Commercial Property Rent Tax Increase	Low-High	Moderate	High	High	High	Can be	High	High	Moderate
L	Gross Receipts Tax: Independent Contractor Economy Tax Increase	Low-High	TBD	TBD	High	High	Can be	High	High	Moderate
M	Payroll Tax	Low	Moderate	High	High	High	Can be	High	Low	Low
N	Sales Tax	High	High	High	High	High	Can be	High	Low	Low
Entertainment / Leisure										
O	Large Event Ticket Surcharge	Low-Moderate	High	Low	High	Moderate	Can be	Moderate	Low	Low
P	Sports Franchise Tax	TBD	TBD	TBD	Moderate	TBD	Can be	Moderate	High	Moderate
Q	Transient Occupancy Tax (Hotel Tax)	Low	Moderate	High	High	High	Can be	High	High	Low
Post-2018										
R	Assessment Districts - Mello Roos, Community Facilities District	TBD	Low	Low	Moderate	High	Yes	High	Moderate	Moderate
S	Congestion Pricing	High	High	Low-Moderate	Moderate	Low	Yes	Moderate	Moderate	High
T	General Obligation (GO) Bond	High	High	Moderate	Moderate	High	Yes	High	Low	Low
U	High-Polluting Vehicle Tax	TBD	TBD	Low	TBD	Low	Yes	Low	Moderate	High
V	Income Tax - Corporate	TBD	Low	TBD	TBD	Low	Can be	Low	High	Low
W	Income Tax - Personal	High	TBD	High	High	Low	Can be	Low	High	Low
X	Property Tax - Commercial	TBD	High	TBD	TBD	Low	TBD	TBD	High	Moderate
Y	Residential Parking Permit Fees	TBD	TBD	TBD	TBD	Low	TBD	TBD	TBD	Moderate
Z	Robot Tax	TBD	TBD	TBD	TBD	Low	TBD	TBD	TBD	TBD
AA	Transportation Network Companies (TNC) Fee	Low-High	TBD	TBD	High	Low	Yes	Low	Moderate	Moderate
BB	Vehicle License Fee (VLF) on 2nd Vehicles	Low-Moderate	High	High	High	Low	Yes	High	Moderate	High
CC	Vehicle Miles Traveled (VMT) Fee	Moderate-High	High	Low-Moderate	High	Low	Yes	Low	Moderate	High

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Revenue Considerations

1. Generates Significant Revenues

Revenue generated is substantial enough to justify the effort to put in place, given the magnitude of transportation needs.

High: >\$50 million per year is considered substantial.

Moderate: \$30 - \$50 million per year

Low: <\$30 million per year

TBD: not enough information

2. Reliable

Predictable revenue stream that doesn't fluctuate significantly year to year. Also, permanent or lasting for many years vs. a one-time source.

High: Permanent or long-term (7-year) revenue sources are preferred; sources with steady (flat or increasing), predictable revenue streams are preferred.

Moderate: Permanent or long-term sources that fluctuate moderately with large-scale economic booms and busts.

Low: Less than seven years of revenues expected OR unpredictable sources such as those with frequent fluctuations, particularly in the downward direction.

3. Growth Potential

Ideally, revenues grow in value over time or at least keep up with inflation.

High: Revenue growth is expected to keep pace with or exceed the rate of inflation

Moderate: Revenue growth is expected to remain stable (flat or growing less than inflation)

Low: Revenues are expected to decline due to an anticipated decrease in the taxed activity, for example vehicles are likely to become more fuel-efficient ("cleaner" vehicles) in the coming years and so a high-polluting vehicle tax will likely generate fewer revenues over time

4. Flexible

Revenues can be used to fund a wide range of transportation investments, including capital and operating needs, ideally with no or limited restrictions.

High: All transportation investments including capital and operating needs are eligible for funding; no or limited restrictions such as geographic limitations, project type or "nexus" requirements

Moderate: Not all transportation investments are eligible (e.g. no operations, no rolling stock) and/or nexus or other requirements restrict distribution of funds

Low: Pretty significant limitations on use of funds such as a narrow range of eligible project types (e.g. SB1183 is for bicycle infrastructure only) or very limited geographic area where funds can be invested (within a business improvement district).

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Process Considerations

5. Ease of Establishing

No new state legislation is required. Precedent exists for using the source for transportation. Multiple factors can contribute to making a revenue source easier or harder to put into place. Note this criterion is not meant to gauge level of political/popular support for a measure, but rather the process hurdles to get the measure approved.

High: No state authorizing legislation is required

Moderate: State authorization is required AND precedent exists in CA for transportation purposes

Low: State authorizing legislation is required

6. Dedicated to Transportation

Cannot be diverted to non-transportation uses. Public knows where/how the funds will be spent.

Yes: By definition or as required by state authorizing legislation, revenues must be spent on transportation (e.g. local gas tax) or revenue measure requires a voter-approved expenditure plan dedicating funding to transportation or there is a strong nexus requirement limiting use of the revenues to identified purposes for the duration of the measure.

Can be: Funds can be dedicated to transportation by the revenue measure, depending on how the measure is structured.

No: By requirement of state authorizing legislation, revenues must be raised for general purposes and cannot be dedicated as part of the revenue ballot measure itself.

7. Ease of Administration

Existing administration system in place, low effort/cost to administer vs. having to create a new mechanism (e.g. with the state for a new source).

High: An existing system is in place to collect revenues and pass them to a local entity to administer

Moderate: No existing system to collect revenues in San Francisco, but approach is known and part of local implementation (e.g. congestion pricing).

Low: There is no system in place to collect revenues and pass to local entity.

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Policy Considerations

8. Equitable – Impact on Low Income Households

Ideally, there is not a disproportionate burden on low-income communities. Ability to provide low-income exemptions, discounts or rebates, as well as to direct revenues toward low income persons can help address equity even if the source itself is not considered progressive.

High: The revenue source is progressive in that lower-income households pay a lower proportion of their annual income than higher-income residents

Low: The revenue source that disproportionately impacts lower-income households and does not follow the user-pays principle

9. Ability to support policy objectives

Revenue source has a clear nexus to transportation and/or supports the “user pays” principle and/or encourages behavioral or other changes that support policy objectives such as an event fee that encourages less driving.

High: Revenue sources with the most direct impact on travel behavior (e.g. congestion pricing), where impacts are made on travel choice on a real-time or daily basis.

Moderate: Revenue source collection is levied or felt infrequently or periodically, and has less of an impact on travel behavior, such as gas taxes

Low: Revenue collection has no clear nexus with transportation systems