



New York City Comptroller
Scott M. Stringer

NEWS

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NEWS RELEASE

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COMPTROLLER STRINGER: CITY’S CONTRIBUTION TO THE MTA IS THE EQUIVALENT OF EVERY HOUSEHOLD PAYING A \$130 “INVISIBLE FARE” EVERY MONTH BEFORE BUYING A METROCARD OR PAYING A TOLL

Significant disparities in support for the MTA: City contributed 68 percent of MTA’s operating budget in FY14 while the State paid for just 4 percent. City also contributes nearly \$300 million annually over the last decade in capital funding to the MTA

(New York, NY) – A new [analysis](#) released today by New York City Comptroller Scott M. Stringer finds that New York City taxpayers and businesses contribute over \$10.1 billion annually in taxes, fares, tolls and direct expenditures toward the operations of the Metropolitan Transportation Authority (MTA), a far higher total than generally recognized.

“When it comes to paying for the MTA, New York City residents and businesses bear a much larger financial burden than we ever knew before,” Comptroller Stringer said. “In addition to the \$5.3 billion City residents paid in fares and tolls, New Yorkers paid \$4.8 billion in taxes, subsidies and direct expenditures to the MTA last year—that’s the equivalent of every New York City household contributing \$130 per month to the MTA’s coffers before they step onto the subway platform or pay a toll. It may be an ‘invisible’ fare, but New York City’s taxpayers feel it in their wallet every month.

The Comptroller’s analysis is a comprehensive examination of the full cost of the MTA to New York City, commuter counties within the MTA region, New York State, Connecticut and New Jersey, including operating expenditures, direct expenditures by the City on behalf of the MTA, and capital expenditures.

The report found that in addition to the \$5.3 billion in fares and tolls paid by City residents across all MTA systems in FY 2014, New Yorkers paid an additional

“invisible fare” of \$4.8 billion dollars. This “fare” included taxes, fees and subsidies levied on City residents and businesses such as the Payroll Mobility Tax, a \$0.50 per-ride taxi surcharge and a dedicated portion of the sales tax in New York City and the commuter counties. The “invisible fare” also includes \$612.5 million in direct expenditures that pay for policing New York City Transit and debt service payments.

“As a critical engine of our regional economy, the MTA deserves support from every level of government. But any conversation about how to fill the MTA’s budget gap must acknowledge that the City already contributes more to the MTA than it gets back in services, and that Albany must step up to the plate with greater support,” Stringer said.

New York City and Commuter Counties Overburdened, Neighboring States not Paying “Fare” Share

The MTA is a creature of the State, however, the State’s contributions to the MTA have been significantly less than the City’s. In MTA FY 2014, New York State paid \$603.5 million to the MTA, roughly 4 percent of the Authority’s operating budget. This figure is 1/8th of the amount that the City contributes to the MTA, excluding fares and tolls.

New York City and commuter counties pay more toward the MTA’s operating revenue than the MTA spends on services for their residents. However, the opposite is true for neighboring states: when analyzed by ridership in MTA FY 2014, Connecticut provided approximately \$156 million less than they consumed in services, while New Jersey’s contribution was \$65 million less than their proportional share of MTA services.

New York City’s Capital Contributions and Debt Service far Greater than Previously Known; State and Federal Support is a Fraction of New York City’s

Despite the oft-repeated statistic that the City contributes \$100 million annually to the MTA’s capital needs, the Comptroller’s report found that the City’s support for the MTA’s capital program is actually multiples of that figure.

From City FY 2005-2014, the MTA had available an average of \$175 million of City funds for capital projects. However, the MTA was only able to commit an average of \$81 million a year of this funding – effectively signing contracts for just 46 percent of planned commitments.

Including the City’s contribution to capital spending on the extension of the 7 subway line, from MTA FY 2005-2014, the average amount of capital funding received from the City was \$296 million annually.

But the greatest support provided by the City for the MTA's capital program isn't its contribution of capital dollars, but rather paying the debt service on the billions the MTA borrows. In 2014, the City's contribution included \$1.85 billion to the MTA in debt service to pay for its own borrowing for MTA projects, debt service for the 7-line extension and MTA's debt service supported by the City's contribution to its operating expenses. In contrast, the State's contribution to MTA debt service is one-tenth of the City's, coming in at approximately \$180 million dollars.

The Comptroller's report also compared federal funding in the 2015-2019 MTA Capital Plan against federal support for the two previous MTA Capital Plans. The report concludes that the federal government should contribute between \$1.6 and \$4.6 billion more than its current \$6.8 billion pledged contribution to the 2015-2019 Capital Plan in order to bring its support in line with past capital plan contributions.

"Let's lay to rest the idea that the City contributes only \$100 million each year to the MTA's capital needs. The City has committed an average of nearly \$300 million in capital dollars a year over the past decade, but the Authority hasn't been able to truly follow through on deploying all the money it had available. When you calculate debt service payments, the City paid \$1.85 billion toward the MTA's capital needs, even as the State contributed one-tenth of that figure. As we work to close the significant gap in the MTA's 2015-2019 Capital Plan, it's clear that the State, and Federal governments, must do more to support our mass transit needs," Stringer said.

To read the full report, please click [here](#).