

A Transit for Livable Communities Fact Sheet



Sources of Funding for Public Transit in Peer Regions

Dedicated sales tax is the funding mechanism of choice in most regions

Transit for Livable Communities

TLC is a non-profit organization that works to improve the quality of life in Minnesota communities by encouraging transit, walking, biking and transit-oriented development.

Our major policy initiatives include:

- *Securing increased funding for transit, biking and walking.*
- *Encouraging development and zoning that supports walking, biking, and transit.*
- *Advocating for reform of state transportation funding, road design practices, and local parking policies.*

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Most large metropolitan areas fund their transit systems through dedicated sources. The vast majority use a municipal, regional, or county sales tax. The majority of peer regions have revenues dedicated to transit that are adequate to maintain and expand bus and rail — and match federal grant funding. Minnesota's transit system is funded through a contentious state budget process. Expansion of public transit requires annual approval by the legislature (capital funding one year and operating the next). Unlike highways, transit has not historically been considered a "highway purpose" and therefore has not been able to use gas tax revenues or license tab fees.

City	Sales Tax Dedicated to Transit	Major Sources of Revenue (in addition to fares and federal grants)
Atlanta		Sales tax to transit 1% (8% total)
Baltimore	None	State transportation trust fund (vehicle tax), state general fund (5% total sales tax)
Boston		Sales tax to transit 1% (5% total)
Cleveland		Sales tax to transit 1% (7.75% total)
Dallas		Sales tax to transit 1% (8.3% total)
Denver		Sales tax to transit 1% (7.6% total)
Detroit	None	Appropriations from state and city
Houston		Sales tax to transit 1% (8.25% total)
Minneapolis/ St Paul	None	State general fund, 40% of motor vehicle sales tax, regional and county property taxes (7.15% sales tax in Minneapolis)
Phoenix		Sales tax to transit 0.40% (8.1% total)
Pittsburgh	None	State transit fund (various taxes), state and county general funds (7% total sales tax)
Portland OR	None	Regional payroll tax 0.66% (NO sales tax)
St Louis		Sales tax to transit 0.75% (6.1% total)
San Diego		Sales tax to transit, 0.42%, state gas tax (7.8% total)
San Francisco		Sales tax to transit 1.05%; state gas tax, parking tax (8.8% total sales tax)
San Jose		Sales tax to transit 0.75%, state gas tax (8.25% total sales tax)
Seattle		Sales tax to transit 0.80% (8.8% total)
Washington DC	None	Appropriations from local jurisdictions

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TRANSIT for



Livable Communities
www.tlcmnnesota.org

Check out additional TLC policy briefs

- *Subsidies for Roads and Transit*
- *Driven to Spend: Transportation and household spending*
- *Highway Lane Miles Per Capita in Peer City Regions*
- *Myths about Transit in the Twin Cities Region*
- *Revenues to Minnesota's Highway Users Tax Distribution Fund*
- *Transit Routes and Ridership in North American Cities*
- *New Rail Starts*
- *Denver Colorado: the Next Transit Metropolis*
- *Transit Funding in Peer City Regions*
- *Transit Fares in Peer City Regions*

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