A SUMMARY OF THE TWO HOUSE WAYS AND MEANS TRANSPORTATION BILLS:

H 4285 – AN ACT RELATIVE TO TRANSPORTATION FINANCE

SOURCES – ESTIMATED BETWEEN $522 MILLION AND $612 MILLION

The House transportation bill has an advertised revenue range of $522 million to $612 million. Estimates of the breakdown, provided in the table below, are from multiple sources and should be viewed as preliminary.

<table>
<thead>
<tr>
<th>Source</th>
<th>Range</th>
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</thead>
<tbody>
<tr>
<td>Fuel Tax</td>
<td></td>
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<tr>
<td>Gas</td>
<td>140-150</td>
</tr>
<tr>
<td>Diesel</td>
<td>37-37</td>
</tr>
<tr>
<td>Corporate</td>
<td>100-150</td>
</tr>
<tr>
<td>TNC Fees</td>
<td>130-145</td>
</tr>
<tr>
<td>Rental Car Sales Tax</td>
<td>110-120</td>
</tr>
<tr>
<td>TNC Excise Tax</td>
<td>5-10</td>
</tr>
<tr>
<td><strong>Estimated Total</strong></td>
<td><strong>522-612</strong></td>
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</tbody>
</table>

A. Fuel taxes – raises the gas tax by 5 cents and diesel fuel by 9 cents.
   1. Raises gas tax to $0.29 from $0.24
      a. However, if Massachusetts signs on to TCI (or other regional market-based mechanism) on or before December 31, 2022 that results in an increase in the price of gas, the Commissioner of Revenue shall reduce the gas tax to offset the increase
   2. Raises the tax on diesel fuel to $0.33 from $0.24

B. Corporate tax – estimated to raise between $100 million and $150 million. Tax divided into 9 tiers:
Comment: It appears that the corporate tax estimates are based on total global sales of corporations doing business in Massachusetts. There may be legal/tax issues if the tax applies to sales apportioned to out-of-state business.

C. TNC Fees – estimated to raise between $130 million and $145 million.
   1. Leaves $0.20 fee for shared rides unchanged
   2. Increases fee to $1.20 for non-shared rides
   3. Increases fee to $2.20 for luxury rides – “a non-shared pre-arranged ride in a vehicle that is registered as a livery vehicle”

Comment: The House bill prohibits these additional fees from being passed on to riders negating the use of cost to influence people to shift to shared rides and lessen congestion.

D. Sales taxes on vehicles purchased by rental companies – estimated to raise ~ $110 million

E. TNC vehicles subject to an excise tax based on $25 per $1,000 of the value of the vehicle which can be apportioned by a $0.50 charge per ride.

Comment: This appears directed at TNC vehicles registered in states other than Massachusetts which may not be enforceable.
Uses

1. Directs $10 million to rural transit assistance
2. Directs $27 million to the MBTA from TNC fees (through the Transit Authority Fund)
3. Directs $27 million to RTAs from TNC fees (Transit Authority Fund)
4. Directs TNC assessments for shared and non-shared rides:
   a. 25% to municipality
   b. 25% to Commonwealth Transportation Fund
      i. $6 million to assist taxicab, livery or hackney industries
   c. 50% to Transit Authority Fund
5. Directs TNC luxury vehicle assessments:
   a. 50% to municipality of origin
   b. 50% to the Commonwealth Transportation Fund
6. Directs corporate minimum tax to the Commonwealth Transportation Fund

Policy Measures

1. Substantially increased data reporting requirements by TNC companies – similar to Governor Baker’s proposal
2. Prohibits TNC fees from being passed on to the rider
3. Creates special commission on roadway and congestion pricing
   a. Panel includes MassDOT Secretary, and 8 members appointed by the Governor:
      i. Transportation expert who is not a state employee, shall chair commission
      ii. Tolling expert
      iii. Transportation finance expert
      iv. Traffic congestion/congestion pricing expert
      v. 2 members from Massachusetts Municipal Association
      vi. A member of business community
      vii. A member who represents interest of commuters
   b. Report due July 31, 2021
4. Extends the existing Fiscal and Management Control Board’s term to June 30, 2023 with an additional 2 year extension option to June 30, 2025. With no change to the current statute, the FMCB would be required to meet 36 times per year. The Safety Review Panel stated in its report that the excessive number of meetings has a deleterious impact on MBTA performance.
5. Adds new regulations for personal vehicle sharing companies
THE BOND BILL – AN ACT AUTHORIZING AND ACCELERATING TRANSPORTATION INVESTMENT

1. Reduces bonding authority to $14.4 billion from Governor’s $18 billion bill
   a. Eliminates two new sources of revenues to support increased capital spending:
      TCI for public transit and GANs for bridge repairs
   b. Reduces MassDOT authorization for non-federal roadways by $1 billion
   c. Removes authorization of $350 million for planning, design, and reconstruction
      of the Bourne and Sagamore bridges
   d. Reduces authorization for MBTA modernization and infrastructure by $1.1 billion
   e. Eliminates $150 million for municipal programs to address local bottlenecks and
      the Pavement Partnership Program
   f. Eliminates $475 million for climate resiliency and carbon emission reduction
   g. Increases Chapter 90 funding to $300 million annually from $200 million

2. Removes policy measures from the Governor’s bill that address congestion and capital
   capacity:
   a. New tools for MassDOT and the MBTA to increase the delivery of capital projects
      and enhanced procurement options
   b. Congestion proposals for managed lanes and employer tax credits

3. Requests East-West Rail Feasibility Study – report due March 1, 2022