

POTENTIAL PUBLIC TRANSPORTATION REVENUE SOURCES

Rating: (1 = low and 5 = high)

Revenue Source	Revenue Collection Method	Revenue Base (Jan. 2010)	Amount/ Unit Multiplier	Potential Additional Revenue	Comments/ Information	Reliability		Trend Up or Down	Revenue Predictability	Cost Effectiveness of Implmntion	Readiness	Competitiveness	Out of State Equity	Usable in Rural Areas	Usable in Urban Areas
						Fairness	Acceptance								
Employment Tax	This is a common tax levied in some states, but not in Idaho, for a variety of purposes. Though it is a tax-deductible cost of doing business, it is wholly paid employers on the number of employees in their business.														
Fuel Tax	The Idaho Constitution requires that gasoline taxes and vehicle registration fees – regardless of amount, where collected or under what legislative authority – be used on the public highway system and/or for highway safety. If any of these revenues are to be used for other purposes, the Constitution must first be amended.														
	25 cents/gallon fuel tax	890 million gal. /yr. (FY09), net to H.D.A = \$205.3 million	1 cent/gallon tax	\$8.2 million net to H.D.A (FY09)	Fuel taxing system in use – easy										
Impact Fees	Impact fees are intended to help pay for one-time infrastructure requirements (generally roads) generated by development. Cities/counties may also impose impact fees for parks and other public areas. The formula in law for determining acceptable impact fees is controversial, complicated, and not related to the factors of the capital and operating expenses of transit systems.														
	Currently restricted to authorized local governments only	Amount depends on level of new construction	Based on developer's proportionate share of system improvement costs	Low potential for revenue - one-time fee is an expense for providing a service	Fees may only be used for mtce, repair, or facilities connected with the development.										

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						Reliability										
						Public	Trend	Revenue	Cost			Out	Usable	Usable		
Revenue Source	Collection Method	Revenue Base (Jan. 2010)	Amount/ Unit Multiplier	Potential Additional Revenue	Comments/ Information	Fair-ness	Accep-tance	Up or Down	Pred-ictability	Effectvnss of Implmntion	Read-iness	Compet-itiveness	State Equity	in Rural Areas	in Urban Areas	
Local Option Sales Tax	Idaho law allows the imposition of a sales tax on certain goods and services on a local option basis. Currently, the state imposes a general sales tax of 6% (subject to a variety of exemptions). This option would allow, on a city or county basis, the imposition of an additional sales tax.															
	Sales tax dedicated to transportat ion	None	Percent sales tax added for transportat ion	Dependent on local jurisdiction	Revenue restricted to local area.											
Local Excise Taxes on Tobacco, Beer, and Wine	This option would impose an additional local option tax on excise taxes already collected on the sale of beer, wine and alcohol. The revenues that such a tax would generate were so low that the Task Force chose not to further evaluate it.															
Personal Income Tax	A geographically restricted income tax surcharge is not a common tax and would require a thorough evaluation as to constitutionality in Idaho before receiving serious consideration. As a consequence, the Task Force chose not to evaluate it.															

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						Reliability						Out	Usable	Usable	
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Personal Property Tax on Vehicles	With minor exceptions, Idaho does not have a personal property tax on vehicles. This is a common method used in other states to help fund not only public transportation needs, but other transportation related and general expense items as well. This method of taxing vehicles is to base a tax on the age/value of the vehicle (the higher the vehicle value, the higher the tax) with a minimum regardless of how old the vehicle is, as long as it has a current registration. A standard is then established for the value of all newer vehicles based on original cost and current age. For this group, a common tax assessment (such as .25% of the value) is established. As the vehicle ages, the value (and tax, if the assessment is kept constant) goes down 10% each year until it reaches a \$15 per year minimum. Trucks and other commercial vehicles would be addressed separately. This is a simplified version of the personal property tax. It proposes a flat tax on all vehicles registered in a region regardless of type, value or age. Such a proposal, restricted to Regional Public Transportation Agencies, was introduced during the 1997 Legislative Session. The proposal authorized any RPTA, upon approval of the majority of the voters in its region, to impose a vehicle "tax" of up to \$5 per year on all vehicles registered within its region. The proposal passed the House, but died in the Senate for lack of a hearing.														
Real Property Taxes	All local governments and "districts," but not Regional Public Transportation Authorities (RPTAs), are permitted to levy property taxes within limits established by the Legislature. Cities and counties are also permitted to spend public funds on public transportation. This tax is the principle source of local "match" funds currently used for local public transportation services and capital expenditures. The amount available is controlled by the budgeting process within each taxing entity (amounts not available). There is no statutory limitation on how much may be used for public transportation.														
Title Transfer	This option would impose an additional fee for the transfer of automobile titles.														

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Vehicle Registration Fees As stated previously, the Idaho Constitution would need to be amended prior to allowing use of vehicle registration fees for public transportation.															
	Three-tier registration system: 1 - 2 years - \$48 3 - 6 years - \$36 Over 6 years - \$24	\$49.9 million (FY09 actual)	10% increase	\$5.0 million	Passenger vehicles only										
Rental Car Sales Tax															
	New excise tax	None	3% tax on car rental fees	\$1.0 million est.	Tax Commission implementation										
Transit Payroll Tax In place in Oregon															

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Local Option Registration															
	County/loc al Registratio n fee	Ada County - \$6.3 million FFY09	3-tier Ada System \$24-\$40	Dependent on local jurisdiction	Ada County - only in Idaho.										

Other															

TERMS

- Fairness - Is there a logical connection to transportation? To what degree are those who pay the same as those who benefit?*
- Public acceptance - How controversial is this apt to be? How willing is your constituency apt to accept it?*
- Trend up or down - Do you believe use of this option by states will increase or rise over time?*
- Revenue predictability - Can revenue from this option be easily projected or forecasted?*
- Cost effectiveness of implementation - Would it be cost effective to enact or administer the program?*
- Competitiveness - How does this option compare with other states in our region?*
- Readiness - Can the option be implemented in a reasonable time frame?*
- Out of state equity - Does the option capture fees from out of state travelers using the system?*
- Usable in Rural Areas - Will this mechanism generate sufficient revenue for Rural communities*
- Urban Access - Will this mechanism generate sufficient revenue for Urban communities*

Sources of these sources is the Idaho Transportaiton Task Force 2004, Transit Funding Comparisions Worksheet, and the Governor's Task Force for Modernized Funding