

Appendix D

Table 1.

SOURCES OF MTA REVENUE FROM FIVE EAST END TOWNS:
2004 (unless otherwise noted) (millions of dollars)
(Excludes fare box revenue.)

Sources:	Revenue	Comments:
1. Mortgage Tax	\$31.8 ¹	Higher interest rates will decrease this figure
2. Sales Tax	15.8 ²	
3. Petroleum Business Tax	8.3 ³	
4. Station Maintenance	1.2 ⁴	
5. Local Operating Assistance	.7 ⁴	
6. 17% Business Surcharge	2.3 ⁵	
7. Telephone Surcharge	.2 ⁶	On both local and long distance charges
Subtotal	\$60.3	
8. State Operating Assistance		
9. CDOT Subsidy		
10., 11. Interagency Subsidy Transactions		
12. Motor Vehicle Bureau Fees		In process of securing a large increase

- 1) Suffolk County Clerk, "Distribution of Mortgage Tax," Year ending 12/31/04 (MTA receives 7.66% less than the five East End Towns.) **Plus:** 20% increase in the mortgage tax rate enacted for the MTA in 2005.
- 2) Based on the ratio of retail sales generated by the five East End Towns compared to the total retail sales in Suffolk County in 2002 (U.S. Census of Business, 2002), **plus:** estimated annual increases of 0.4% in 2003 and 2004 (same as the annual average between 1997-2002) multiplied by Suffolk County sales tax revenue in 2004. **Plus:** net 43.4% increase in the sales tax rate enacted for the MTA in 2005.
- 3) Based on estimate of 1.5% of total MTA revenue from the petroleum business tax (MTA 2004 budget). Even though the year-round population of the East End equals only 1.0% of the 12-county MTA area, the East End has a much larger seasonal population (almost tripling the year-round population). Moreover, people in the 5-borough New York City area use mass transit, rather than automobiles, much more than in the East End.
- 4) Actual data for Suffolk County from Robert Bortzfield, Budget Director, Suffolk County, 10/17/05, multiplied by 8.84%, the ratio of the East End's population to that of Suffolk County in 2000, U.S. Census. Note that the East End actually has 29% of the rail road stations in Suffolk County, or 12 of 41.
- 5) Based on guesstimated 5% of the Suffolk County total of \$44.955 million for 2000 (**Report of Joint Executive/Legislative Task Force on Transportation Issues in Suffolk County**, April 2, 2001, p. 16), plus 2% (or 4 years of 0.5% increases) to estimate 2004 amount. Note that East End has more than 12% of all businesses in Suffolk County, but they are probably much smaller on average and, therefore, pay a smaller business surcharge.
- 6) Estimated from phone conversation with Verizon on 6/14/05, and based on the June '05 bill of H. Ross showing total MTA surcharges of 13.36¢, multiplied by 12 months and by an estimated 90,144 housing units in the East End on 1/1/03 (**SEEDS, Inventory & Analysis**, March 2004, p.40) equalling \$144,519, **plus:** an arbitrary \$25,000 - \$50,000 for all businesses.