

## **Traffic Congestion Mitigation Tax\***

**Digest** by the Ballot Simplification Committee

**Status:** Approved digest  
**On:** Wednesday, August 7, 2019  
**Members:** Packard, Anderson, Raveche

**Deadline to Request Reconsideration:** 2 p.m. on Thursday, August 8

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**The Way It Is Now:** The City does not impose a business tax on fares charged by commercial ride-share companies.

Commercial ride-share companies provide passenger rides for a fare. These companies also arrange shared rides, and each passenger pays a separate fare. Typically, rides are requested using an online platform to connect drivers with passengers.

Taxis and paratransit companies are not commercial ride-share companies.

In the future, the State may authorize companies to charge passengers for rides in driverless vehicles.

The San Francisco Municipal Transportation Agency (SFMTA) is a City agency that oversees the City's transportation system, including Muni buses and trains, bicycles, traffic, parking and taxis. The San Francisco County Transportation Authority (SFCTA) is a County agency separate from the City that funds and plans transportation projects. The San Francisco Board of Supervisors serves as the governing board of the SFCTA.

**The Proposal:** Starting Jan. 1, 2020, Proposition \_\_\_\_ would impose a business tax on commercial ride-share companies for fares generated by rides that start in San Francisco as follows:

- 1.5% on a shared-ride fare; and
- 3.25% on a private-ride fare.

The same business tax would also apply to driverless-vehicle companies. The City would impose these taxes on fares charged by these companies until Nov. 5, 2045.

Passenger rides in zero-emission vehicles would be subject to a 1.5% business tax until Dec. 31, 2024.

The City would deposit the tax revenues (estimated at \$30 million to \$35 million annually) into a Traffic Congestion Mitigation Fund to spend for the following purposes:

- The SFMTA would receive roughly half of the revenues to improve Muni service and reliability, maintain and expand Muni vehicles and facilities, and improve Muni station access; and
- The SFCTA would receive roughly half of the revenues to improve pedestrian and bicycle safety.

**A "YES" Vote Means:** If you vote "yes," you want to impose a 1.5% business tax on shared rides and a 3.25% business tax on private rides for fares charged by commercial ride-share and driverless-vehicle companies to fund improvements in Muni service and bicycle and pedestrian safety.

**A "NO" Vote Means:** If you vote "no," you do not want to impose this business tax.

*\*Working title, for identification only. The Director of Elections determines the title of each local ballot measure; measure titles are not considered during Ballot Simplification Committee meetings.*