

### SOURCES OF FUNDING FOR TRANSIT - STATES<sup>1</sup>

State	Type of tax	Allowable Uses	Distribution factors	Comments
Alabama				No state funding for transit
Alaska				No state funding for transit
Arizona	Vehicle License Tax	Capital/operating	Based on grant proposals with population setting upper limits; urbanized areas may use funds only for transit; smaller areas may use for any transportation purpose	Updated publication provides less information for Arizona. Presumably the same information holds true since amount is same as last year.
Arkansas	Rental Car Tax	Capital match and operating	Available for urban, rural and elderly and disabled transit programs	
California	Retail Sales: ¼ cent of 7.25%	Capital/operating costs of local transit	County population; App. 10% allocated by county population, prior year fares and local revenues.	Collected by state apportioned to counties
	Gasoline and diesel sales tax (\$173M)	Capital/operating costs of waterborne ferry services in the Bay area	Discretionary	Allocated to operators
	Traffic Congestion Relief Fund – no source given	Capital match for congestion and mode connectivity projects	Discretionary	

<sup>1</sup> Data Source: Department of Transportation, Bureau of Transportation Statistics - - 2004 Report *Survey of State Funding for Public Transportation*

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	Fuel Users Tax and Weight Fees	Capital Only	Allocated on formula: 75% to counties by population and 25% retained by the state for interregional improvements.	
	Clean Air and Transportation Improvement Act (Bond Funds) – Prop. 16	Capital Only	Discretionary by CA Transportation Commission to local transportation agencies and jurisdictions for rail and fixed guideway projects.	
Colorado				No state funding for transit. Note, however, that a new program was passed by the legislature. In the future, 10% of certain general fund transportation funds will be set aside for strategic, transit-related purposes. The funds are derived by formula from excess state sales tax revenues. ConnnDOT will determine which projects fit the statutory definition and allocate funds on a discretionary basis.

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Connecticut	Special Transportation Fund including: motor fuel tax ;(\$470.8M), motor vehicle receipts (219.7M); license and permit fees (\$154.5M); interest income(\$24.5M);; oil company tax (\$10.5M);; DMV sales tax (\$70.4M)	DMV Expenses, DOT expenses, Debt Service (\$386M), urban and rural operating support; ADA services; capital for transit systems; commuter rail operating assistance	Allocations to transit are discretionary. CN operates approximately 70% of all transit services and carries 80% of all passengers directly through CT Transit in eight service areas.	State funds provide 76% of the operating costs of the Delaware Transit Corporation.
Delaware	State Transit Fund: Bridge tolls, Gas Tax and Vehicle Registration Fees	Operating expenses for rail services, paratransit and fixed route bus service; capital program (9.6% for rail preservation and enhancements; 26.9% for vehicle replacement and expansion amenities; 63.5% on facility preservation, enhancement and expansion.	Allocation of funds directed by legislation.	Transit operating and capital expenditures require approval of legislature
District of Columbia	General Revenue funds include direct operating subsidy, school transit subsidy, and planning funds. Bonds fund capital.	Operating and capital expenses for WMATA		D.C. is viewed as both state and local source for comparison purposes
Florida	Florida Transportation Trust Funds: Fuel Taxes, License Fees, Initial	Operating, up to ½ eligible operating expenses; Capital, up to ½ non-federal share;	Formula allocation to FTA recipients; discretionary grants for	All funds go into Florida Transportation Trust Fund; 15% minimum for public

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	Registration, Title Fees and Rental Car Fees.	allocation to counties for social service transportation	demonstration projects, designated corridors, TMAs, ride-sharing, welfare-to-work, park and ride and rural/community transit projects.	transportation including aviation, rail transit and urban transit
Georgia	State General Funds	Urban and Rural capital match; planning. No state operating subsidy.	Matches ½ of federal match requirement. Funds allocated on federal formula. Excess allocated on state formula based on ridership, fare box recovery, revenue vehicle miles and trips per capita.	
Hawaii				No regular state funding for transit. Provides funds on occasional basis.
Idaho	Miscellaneous Revenue	Non-urbanized, senior and disability services	Federal funds are allocated by formula. State funds complete 80% of project costs. Local dollars provide a 20% match.	Gas tax revenues restricted to roads by Constitution.
Illinois	General Revenue	Operating/Capital	NE Illinois (RTA) allocated 25% of the RTA sales tax collected in NE Illinois; Metro	Operating funds limited to 55% of operating budget.

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			<p>East system in SW IL receives General Revenue funds equal to 80% of 2/32 of sales tax collected in the region. Other downstate areas get general fund revenues equal to 2/32 of sales tax collected in those areas.</p>	
	<p>State Bonds and Strategic Capital Improvement Program Bonds</p>	<p>Capital (\$421.9M in 2000)</p>	<p>RTA authorized to sell bonds for state approved transit projects; receives general revenue funds equal to the debt service on those bonds. Downstate capital is discretionary and determined by legislature.</p>	
<p>Indiana</p>	<p>.775% of Sales and Use Tax goes to transit. .635% goes to Public Mass Transportation Fund and .14% goes to Commuter Rail Service Fund.</p>	<p>Transit;: Operating and capital</p> <p>Rail: maintenance improvements and operation of commuter rail service.</p>	<p>Transit formula based on total boardings, total vehicle miles of travel and amount of local-derived income.</p> <p>Rail funding is for service between South Bend and Chicago.</p>	

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Iowa	4% of Use Tax on Sale of Motor Vehicles	Operating and capital; urban and rural; statewide marketing, training, technology projects	Locally derived income, ridership and revenue miles within class (urban or regional)	
Kansas	State Motor Fuel Tax	Rural and Urban operating and capital	Divided between rural (41%) and urban (59%). Project approval is discretionary with the decision made at the local level and approved by the DOT.	
Kentucky	State General Funds	Capital for Small Urban, rural and elderly/disabled projects	10% match for federal capital	
Louisiana	Parish Transportation Trust Funds – Mass Transit Account	Non-urban; any project	Legislated formula	
Maine	General Fund and Bonds	Operating and capital match		Use of gas tax is prohibited for transit. However, new Transit Bonus Program (capped at 1% of State Highway Tax) gives towns a bonus in their local roads accounts if they increase their contribution to transit.
Maryland	Transportation Trust Fund: Fuel Taxes; Motor Vehicle Excise Taxes; Motor Vehicle Fees; Corporate Income Taxes;	Transportation Trust Fund: Finances all modes; pays operating and capital for large urban areas	2004: Baltimore: \$311M for operating; \$122.7 M for capital. Funds services in Baltimore Metro area and	Modal distribution based on budget submissions by DOT modal administrations. Mandatory operating ratio:

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	Bond Proceeds – funds two programs		Maryland contribution to DC Metro	40% minimum with 50% goal.
	Same as above	Statewide Grant Program funds small urban operating and capital; formula program for elderly and disabled; special ADA services; job access, new starts match and a rural transit program.	Various programs have a wide variety of formulas or are disturbed on discretionary basis	
Massachusetts	80% General Funds; 20% Highway Funds	Operating funds for 15 Regional Transit Authorities (RTAs) other than MBTA	MA funds at least 50% of net operating deficit and up to 75%. Local communities fund at least 25% and up to 50%.	
	Local Assessments	Operating for 15 RTAs	231 municipalities pay an annual assessment for the reimbursement of the next operating deficit	
	100% Highway Funds	Capital for 15 RTAs	Pays 20% federal match for urban; 100% of capital for rural	
	20% of 5% statewide sales tax	Operating assistance for the Massachusetts Bay Transportation Authority (MBTA)	Dedicated	
	Local Assessments	Operating for MBTA	175 municipalities within MBTA service area pay an annual assessment for the reimbursement of	

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			operating expenses	
	State-backed bonds	MBTA Capital program		As of 2000, \$1.5B in bonds over \$5 years
	MBTA Revenue bonds	Capital	Match federal capital funds and finance capital program beyond federal level.	
	State Infrastructure Fund	Capital Assistance for MBTA specific project (Dorchester Branch Rehab)	Funds only for specific project	
Michigan	Vehicle Registration fees and gas tax revenue (19 cents/gallon)- 10 % of gas tax revenue (after specified costs and deductions) goes to Comprehensive Transportation Fund (useable for transit) Miscellaneous revenue and interest and not less than 6% of 4% sales tax on automotive-related items also go to Fund.	Formula allocation: may use up to 50% for operating in UZA; up to 60% rural/small urban	Formula allocation to transit systems. UZAs over 100,000 population limited to 50% of operating expenditure. Smaller systems, limited to 60 % of operating expenditure.  Discretionary flexible match for federal capital, senior and ADA services Discretionary funding for operating and capital on cross-jurisdictional services	52 of 79 transit systems supported by property tax millages with remainder supported by local general funds.

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Minnesota	General Fund and 21.5% of Motor Vehicle Sales Tax (MVST) combined to fund multiple programs	Operating and Capital for Twin Cities Metro area and state systems outside Twin Cities	<p>Direct allocation from General Fund pays for transit operations for small systems. Statutory allocation of 1.43% of MCAT pays for capital expenses of small systems.</p> <p>Direct allocation from General Fund pays for Metro Area Transit (Twin-Cities) capital and operating expenses. Statutory allocation of 21.5% of MCAT pays for capital expenses of MTA, Hiawatha LRT Operations and match for federal for construction of Minneapolis Northwest Bus way.</p>	
	Motor Vehicle Sales Tax	Property Tax Replacement		Replaces property taxes formerly used by transit systems for local operating assistance. Direct allocation of 20.5% of MVST for Twin Cities and 1.25% for remainder of state. Passed

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				in 2001; payments began in July 2002.
Mississippi	General Fund	Multimodal Transit Program	Allocated by percentages contained in legislation	
Missouri	General revenue	Operating for public transit; deficit offset for not-for-profit social service transportation	Public transit based on historic share; Social service: number and type of trip. State has 6 urban and 31 rural transit providers.	Missouri Constitution prohibits use of state gas tax money for anything but roads
Montana	State Gas Tax; Motor License Fee	Gas tax funds public systems operating and capital; license fee funds elderly and disabled services	Transit formula (factors not identified); specialized service – discretionary	
Nebraska	Highway Trust Fund' General Fund	Both sources: operating; General fund: intercity bus	Formula – factors not identified	
Nevada	Interest on NDOT Trust Fund	Match and some vehicle acquisition. No Operating.	Discretionary	
New Hampshire	General Funds & Bond funds	Operating Assistance for local transit from General Fund and match for Federal capital from Bond funds.		
New Jersey	General Operating Funds (\$194M)	Operating Purposes		NJ Transit operates all transit services in the state
	Dedicated: Motor Fuel Taxes (\$405M); Petroleum Products Gross Receipts tax (\$200M), sales and use tax	Pays capital and operating programs for rail and bus-LRT programs. In addition, pays for major capital programs and discretionary	All funds go into NJ Transportation Trust Fund which is bonded	Funds pay for both highway and transit projects

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	(\$140M) go into NJ Transportation Trust fund. Transit portion is \$618.2M.	project grants.		
	Casino Revenues	NJ Transit Elderly and Disabled Programs	Go to Casino Revenue Fund	
New Mexico	State Road fund, Gross Receipts Tax.	State Road fund provides planning and seed money for up to three Regional Transit Districts (RTDs). Also provides for administration, operation and planning of a statewide commuter options Program.  Local option gross receipts tax has not yet been presented to voters.		Only one RTD certified to date. Legislation enacted in 2004, year of report.
New York	General Funds	Section 18-b Operating Assistance; additional upstate operating assistance; MTA student-reduced program  Total: 111.6M	Portion provided by legislative line item; portion provided pursuant to revenue passenger and vehicle mile formula.	§ 18-b program requires 100% local match; other operating requires no local match; student fare reductions matched 100% by New York City
	Portion of Corporate Franchise Tax Surcharge; ¼% Sales Tax (MTCB – Mass Transportation Commuter District -	Funds Mass Transportation Operating Assistance Fund  Total: \$1.224.3M	Formula based on passenger revenue and vehicle mile.	

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	only); Long Lines Tax on transportation and transmission companies (MTCD only); portion of base petroleum business tax			
	Portion of base petroleum business tax; 100% supplemental petroleum business tax	Funds Dedicated Mass Transportation Trust Fund. Pays MTA (NYC) capital and operating assistance, non-MTA capital programs and additional non-MTA operating assistance.  Total: \$567.1M	34% of fund goes to MTA operating, capital and debt service. Provides half of capital match for non-MTA projects. Includes supplemental capital for non-MTA areas for projects with insufficient federal funds. Small portion (\$6M) redirected to address operating assistance needs.	
North Carolina	At least 50 cents multiplied by the total number of vehicles in the state is allocated to transit from the Highway Fund; Balance comes from the Highway Fund and Highway Trust fund	Operating and capital including new starts and other federal match for urban and rural systems; planning	Formula allocation to fixed route systems for allocation; state cannot exceed local; factors include old formula, population and budget	
North Dakota	Statewide Vehicle Registration Fee	Operating, Capital and Planning	County Population & base funding amount	

State	Type of tax (\$2/vehicle/year)	Allowable Uses	Distribution factors	Comments
Ohio	General Fund Biennial Legislative Appropriations	Urbanized areas below 200,000 population Operating: 50% of non-federal Capital: up to 80% of grant request Planning: 10% of project cost	Formula Allocation: factors include ridership, revenue miles and level of local support	
Oklahoma	Dedicated state fuel tax funds; general funds	Provide match for new starts; operating and capital for all systems	Tulsa and Oklahoma Counties each receive 20%; other systems allocated on basis of revenue vehicle miles	Funds go into Public Transit Revolving Fund
Oregon	Multiple sources allocated to multiple programs			
	Cigarette tax, non-highway use fuel tax, general fund and DMV ID Card Fee	Special Transportation: pays senior and disabled transportation	Distributed to counties; 75% allocated based on population; 25% allocated by competitive grant process	
	Lottery bonds	Tri-Met Urban Light Rail Program	Discretionary allocation for debt service and bond repayment for Portland West Side Light Rail	
	General funds and non-highway use fuel tax	Oregon Passenger Rail Program	Discretionary allocation for operation, equipment and track improvements for Oregon High Speed	

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			Rail Program	
	Lottery Bonds	Commuter Rail Program – development of link with high-tech industrial areas outside Portland Metro area		
	In Lieu of Payroll Tax	Funds Transit District Assistance: operating/capital	Discretionary	
Pennsylvania	General Fund	Operating	Formula allocations to large urban, small urban, rural	Constitutional prohibition on use of motor fuel taxes and fees
	PTAF: sources include sales tax, tire tax, vehicle lease tax and car rental charge	Capital and asset maintenance for large urban, small urban and rural. Capital for community transit	Formula allocations to large urban, small urban, rural	
	Sales tax (capped at \$75M)	Operating and Capital with limits on portion useable for operating based on system size. Only capital allowed for community transit.	Formula allocations to large urban, small urban, rural	
	Lottery Funds	Free and reduced transit programs for senior citizens (program also subsidized by General Fund)	Capital budget and debt authorization ceiling bills; discretionary	
	General Revenue Bond	Capital – when approved by General Assembly/Governor in Capital Budget. Capital includes vehicle overhaul and infrastructure, safety and renewal funds		

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Rhode Island	Motor Fuel Taxes (7.25 cents/gallon to transit - - 24.2% of gas taxes collected)	Operating	RIPTA – 6.25 cents of taxes; Elderly/Disabled reduced fares and services – 1 cent	
	General Obligation Bonds; State Appropriations	Capital match for federal; also funds Rhode Island Capital Fund for acquisition, design and construction of transit facilities		
South Carolina	Motor Fuel Tax – ¼ of one cent goes to State Mass Transit fund	State Match for urban (large and small) and rural operating and capital; planning and statewide projects	Most used as matching funds for Federal	
South Dakota	Funds come from the Public and Specialized Transportation fund. No source identified (presume General Fund)	Operating	Ridership and miles driven	
Tennessee	Gas Tax	Urban Capital and Operating; Ridesharing; Rural Transportation; Technical Assistance and Job Access	Urban is discretionary. Urban operating covers 40% of non-federal share. All other programs are either match for federal funding or discretionary.	Gas Tax is sole source; funds 14 urbanized and 11 rural systems.
Texas	State Highway Fund	For UZAs between 50,000 and 200,000 may be used for any transit related activity Funds are also available to	New allocation formula in 2004 uses demographic and performance factors	

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		UZAs larger than that if they do not have a dedicated local tax		
Utah				No state funding for transit
Vermont	Transportation Fund (no source identified – presumably General Revenue)	Operating and capital match	Discretionary	
Virginia	Motor Fuel Taxes (\$0.025); Motor Vehicle Sales and Use Tax; Sales Tax (0.5%); Other Fees, Taxes and Interest	Goes into Transportation Trust Fund of which Mass Transit gets 14.7%. Uses include operating, capital and special project assistance.	Operating is allocated based on each systems operating expenses as percent of statewide total. Capital is allocated based on grant applications subject to approval by Commonwealth Transportation Board. All projects given same percentage of state participation, which may vary by year. By law, state can provide up to 95% of non-federal share (in 2000, it was 42%)	State highway funds may also be used for transit projects on a project-by-project basis.
	Regional Motor Fuel Tax (2%)	Dedicated funding; pays for Northern VA share of WMATA's operating expenses and operating and capital expenses of Potomac	In Northern VA Transportation Commission area, pays for WMATA; in Potomac and	

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		and Rappahannock Transportation Comm. (commuter rail, commuter and local bus and other projects).	Rappahannock Transportation Commission area, pays for Virginia Railway Express commuter rail and other local projects and services.	
Washington	State Multimodal Transportation Fund. Transit funding funneled in Public Transportation & Commute Options fund.. : fees, sales tax on new and used cars and other non-gas tax revenues go into the account	Operating, capital for rural systems; vanpooling; special needs services; commute trip reduction programs. Newly created passenger rail program.		Note: most systems funded by local taxes. Most common form of local transit revenue is sales tax raised by local transit authority. One transit authority also raises revenue through the motor vehicle excise tax. New state level program enacted in May 2003 (ten-year program).
West Virginia	General Funds	Operating for rural systems; capital for all systems.		
Wisconsin	Motor Fuel Taxes; Vehicle Registration Taxes; Fees/Revenues	Goes into State of WI Transportation Fund which funds state transit operating assistance; transportation employment and mobility program; county elderly and disabled program (operating/capital); elderly and disabled capital assistance	Operating subsidy is based on formula allocation with 3 tiers based on system size. The elderly and disabled program is distributed on a formula (unspecified). The demand management program and elderly and	

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		program; multimodal transportation studies and intercity passenger rail between Milwaukee and Chicago	disabled capital assistance are discretionary	
Wyoming	Unrestricted State Highway Funds	Operating and capital match		
	Interest Income from the Transportation Trust Fund	Purchase of public transit vehicles		