



*Trends in
State Mass Transit Funding
and,
SEPTA's Impact on State
and City Tax Revenues*

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Executive Summary

At the request of the Southeastern Pennsylvania Transportation Authority (SEPTA), the Pennsylvania Economy League (PEL) (1) examined trends in recent state contributions to urban mass transit and (2) estimated total income tax revenues paid to the State of Pennsylvania and City of Philadelphia, by persons using the SEPTA system to commute to work.

Part One

Looking only at the state's general fund, PEL finds that mass transit subsidies fared poorly compared to other functions. Mass transit subsidies have not increased in line with the total general fund budget; when inflation is taken into account, mass transit subsidies have actually decreased. However, when examining all state funds (general fund plus special funds), PEL finds that new FY92 special fund tax revenues dedicated to mass transit bring the percentage increases in mass transit subsidies over the average increases in some other spending areas, when compared for five years.

The FY92 tax produced a new base of state money for transit agencies, significantly improving the funding situation of transit in comparison with other spending categories between FY91 and FY92.¹ Since FY92 this base has not increased. The result is that, taken over the last five years, urban mass transit appears to fare relatively well in terms of total state contributions with funding expanding at about the total state. However, since FY92 total state contributions to mass transit have not increased as much as other spending categories. In fact, state contributions have decreased when the effects of inflation are taken into account.

Part Two

In the second part of the study, PEL estimates the income tax revenue generated by SEPTA commuters to the State of Pennsylvania and the City of Philadelphia. In providing access to jobs in Philadelphia and its suburbs, SEPTA is a major facilitator of income generated in Southeastern Pennsylvania. PEL estimates that in 1993 SEPTA commuters paid approximately \$386 million in income tax revenues to the State (\$147.4 million) and City (\$238.8 million) governments.

¹State of Pennsylvania, P. L. 238, Number 26, August 5, 1991.

Trends in state transit subsidies compared with trends in other state expenditures

General Fund

Subsidies for urban mass transportation from the state's general fund have remained static over the past five years. Tables 1 and 2 below show that in FY90, the total subsidy for urban mass transit was \$229,366,000. By FY94, the subsidy grew to only \$233,377,000, a change of 1.75 percent. All of the growth occurred between FY90 and FY91 when the subsidy grew by 2.4 percent. Since FY91 the subsidy has actually declined in each successive year by somewhat under 1 percent per year.

Table 1
State Transit Subsidies vs. Selected State Expenditures
General Fund
(Dollars in Thousands)

Expenditure	FY90 Actual	FY91 Actual	FY92 Actual	FY93 Available	FY94 Budget
Corrections	345,554	405,211	453,194	500,423	624,279
Education	5,498,648	5,720,482	6,210,383	6,169,421	6,351,425
Environmental Resources	200,568	186,044	197,197	208,407	222,574
Health	174,810	153,100	175,947	197,665	199,501
Public Welfare	3,477,401	3,927,115	4,410,179	4,748,659	5,016,227
Urban Mass Transportation	229,366	234,893	233,573	233,546	233,377
Total	11,820,132	12,421,264	13,755,804	14,184,745	14,914,326

Table 2
State Transit Subsidies vs. Selected State Expenditures
General Fund
Annual Percent Change

Expenditure	FY91	FY92	FY93	FY94	FY90 to FY94
Corrections	17.26%	11.84%	10.42%	24.75%	80.66%
Education	4.03%	8.56%	-0.66%	2.95%	15.51%
Environmental Resources	-7.24%	5.99%	5.68%	6.80%	10.97%
Health	-12.42%	14.92%	12.34%	0.93%	14.12%
Public Welfare	12.93%	12.30%	7.67%	5.63%	44.25%
Urban Mass Transportation	2.41%	-0.56%	-0.01%	-0.07%	1.75%
Total	5.09%	10.74%	3.12%	5.14%	26.18%

Tables 3 and 4 below detail the expenditure trends while taking into account the effects of inflation. When controlling for inflation, the general fund subsidy to urban mass transit shows a decrease since FY90. In real terms (constant dollars), the subsidy declines every year since FY90 at an annual rate of approximately 3 percent. In FY94, the budgeted subsidy for mass transit is 12 percent lower, in real terms, than the subsidy in FY90.

Table 3
State Transit Subsidies vs. Selected State Expenditures
General Fund in 1990 Dollars
(Dollars in Thousands)

Expenditure	FY90 Actual	FY91 Actual	FY92 Actual	FY93 Available	FY94 Budget
Corrections	345,554	382,296	413,936	444,446	539,541
Education	5,498,648	5,396,990	5,672,408	5,479,311	5,489,297
Environmental Resources	200,568	175,523	180,115	185,095	192,362
Health	174,810	144,442	160,706	175,554	172,421
Public Welfare	3,477,401	3,705,038	4,028,147	4,217,475	4,335,336
Urban Mass Transportation	229,366	221,610	213,340	207,422	201,699
Total	11,820,132	11,718,845	12,564,206	12,598,042	12,889,890

Note: FY91 through FY93 dollar amounts adjusted for changes to the Philadelphia regional CPI for the period July, 1990 to June, 1993. FY94 dollar amounts adjusted for changes in the regional CPI for the period July, 1993 to September, 1993.

Table 4
State Transit Subsidies vs. Selected State Expenditures
General Fund-Constant Dollars
Annual Percent Change

Expenditure	FY91	FY92	FY93	FY94	FY90 to FY94
Corrections	10.63%	8.28%	7.37%	21.40%	56.14%
Education	-1.85%	5.10%	-3.40%	0.18%	-0.17%
Environmental Resources	-12.49%	2.62%	2.76%	3.93%	-4.09%
Health	-17.37%	11.26%	9.24%	-1.78%	-1.37%
Public Welfare	6.55%	8.72%	4.70%	2.79%	24.67%
Urban Mass Transportation	-3.38%	-3.73%	-2.77%	-2.76%	-12.06%
Total	-0.86%	7.21%	0.27%	2.32%	9.05%

In contrast to the mass transit subsidy, expenditures in the general fund as a whole and in other significant expenditure categories have increased, at least in nominal dollars. Table 2 shows that between FY90 and FY94 total expenditures in Pennsylvania's general fund increased by more than 3 percent every year. For the period as a whole the total general fund expenditure is over 26 percent higher in FY94 than it was in FY90. The biggest winners for these years are corrections and public welfare. Expenditures in these categories increased by over 80 percent and 44 percent, respectively.

In constant dollar terms, mass transit was not alone in suffering real declines in expenditures. Spending for environmental resources, health, and education is lower in FY94 than in FY90 when inflation is taken into account. However, none of these categories suffered as large a decrease as mass transit. Real spending declines in these categories range from a high of just over 4 percent for environmental resources to a low of 0.17 percent for education. Mass transit's decline is just over 12 percent. In addition, while some parts of the general fund budget decreased in real terms total expenditures grew by over 9 percent.

All Funds

It may be somewhat misleading to compare state mass transit subsidies to other expenditures by looking simply at the state's general fund budget. In 1992, Pennsylvania established new taxes that produced additional revenues dedicated to supporting mass transit. These moneys are grants to the state's mass transit authorities on top of the basic state subsidy provided through the general fund. Most of the funds generated through the new state tax are earmarked for capital improvements to the mass transit system. As such they do not add to the general fund subsidy designed to support mass transit operations. However, 30 percent of the funds allotted to SEPTA are available for operations and 50 percent of the funds allotted to other transit agencies are available to support operations.² The added grants significantly alter the comparative trends among the objects of state spending depicted in the analysis of the general fund. Combining state expenditures for all funds shows that mass transit fared better than most other categories during the past five years in terms of funding from the state.

Looking at all funds, Tables 5 and 6 show that state spending for urban mass transit operations rose from \$229,366,000 in FY90 to a budgeted \$302,877,000 in FY94, a 32 percent increase in nominal dollars. By comparison, total state spending increased just over 20 percent during the same period. Among major spending categories, urban mass transportation fared better than education, environmental resources, and health in receiving increased state support. Compared with the expenditure increases in public welfare (40 percent) and corrections (81 percent), however, urban mass transportation did not fare as well.

² Purdons, vol. 74, chap. 13, Public Transportation Assistance, section 1311: 330. Operations spending is defined as asset maintenance in the Public Transportation Assistance Act.

Table 5
State Transit Grants and Subsidies vs. Selected State Expenditures
All Funds
(Dollars in Thousands)

Expenditure	FY90 Actual	FY91 Actual	FY92 Actual	FY93 Available	FY94 Budget
Corrections	345,554	405,211	453,194	500,423	624,279
Education	5,500,433	5,725,238	6,212,118	6,171,204	6,353,229
Environmental Resources	200,568	186,044	197,197	208,407	222,574
Health	174,810	153,100	175,947	197,665	199,501
Public Welfare	3,601,401	4,050,040	4,453,777	4,794,659	5,045,227
Transportation	229,366	234,893	303,073	284,846	302,877
Total	14,478,538	15,111,761	16,247,911	16,657,133	17,423,832

Table 6
State Transit Grants and Subsidies vs. Selected State Expenditures
All Funds
Annual Percent Change

Expenditure	FY91	FY92	FY93	FY94	FY90 to FY94
Corrections	17.26%	11.84%	10.42%	24.75%	80.66%
Education	4.09%	8.50%	-0.66%	2.95%	15.50%
Environmental Resources	-7.24%	5.99%	5.68%	6.80%	10.97%
Health	-12.42%	14.92%	12.34%	0.93%	14.12%
Public Welfare	12.46%	9.97%	7.65%	5.23%	40.09%
Urban Mass Transportation	2.41%	29.03%	-6.01%	6.33%	32.05%
Total	4.37%	7.52%	2.52%	4.60%	20.34%

In real dollars, the state operating subsidy for mass transit increased by 14 percent between FY90 and FY94. During this period, education, environmental resources, and health experienced a decline in real dollar state spending, while expenditures for corrections and public welfare increased substantially more than those for mass transit. Total state spending between FY90 and FY94 increased by 4 percent in real terms (Tables 7 and 8, below).

Table 7
State Transit Grants and Subsidies vs. Selected State Expenditures

All Funds in 1990 Dollars
(Dollars in Thousands)

Expenditure	FY90 Actual	FY91 Actual	FY92 Actual	FY93 Available	FY94 Budget
Corrections	345,554	382,296	413,936	444,446	539,541
Education	5,500,433	5,401,477	5,673,993	5,480,894	5,490,856
Environmental Resources	200,568	175,523	180,115	185,095	192,362
Health	174,810	144,442	160,706	175,554	172,421
Public Welfare	3,601,401	3,821,011	4,067,968	4,258,329	4,360,399
Urban Mass Transportation	229,366	221,610	276,819	252,983	261,765
Total	14,478,538	14,257,195	14,840,434	14,793,869	15,058,761

Note: FY91 through FY93 dollar amounts adjusted for changes to the Philadelphia regional CPI for the period July, 1990 to June, 1993. FY94 dollar amounts adjusted for changes in the regional CPI for the period July, 1993 to September, 1993.

State Transit Grants and Subsidies vs. Selected State Expenditures
All Funds in Constant Dollars
Annual Percent Change

Expenditure	FY91	FY92	FY93	FY94	FY90 to FY94
Corrections	10.63%	8.28%	7.37%	21.40%	56.14%
Education	-1.80%	5.05%	-3.40%	0.18%	-0.17%
Environmental Resources	-12.49%	2.62%	2.76%	3.93%	-4.09%
Health	-17.37%	11.26%	9.24%	-1.78%	-1.37%
Public Welfare	6.10%	6.46%	4.68%	2.40%	21.08%
Urban Mass Transportation	-3.38%	24.91%	-8.61%	3.47%	14.13%
Total	-1.53%	4.09%	-0.31%	1.79%	4.01%

The positive comparison of state spending for urban mass transit with state spending for other functions can also be misleading. The increase in mass transit spending occurred totally in FY92 with the introduction of the new tax revenues. In the two fiscal years since these revenues were introduced, spending for mass transit operations declined in real dollar terms by 8.6 percent in FY93 and increased by 3.5 percent in FY94. Since FY92 spending for mass transit operations has decreased by 5.4 percent in real dollars. During these years, total state spending has remained even with inflation and has increased in real dollars for environmental resources, health, public welfare, and corrections.

State and Local Income Tax Revenues from SEPTA Riders

Introduction

The Pennsylvania Economy League estimated income tax revenues produced by SEPTA riders for state and local governments in the following manner. First, SEPTA ridership was deaggregated to identify the number of workers carried by the system on an average day. Second, the income level of workers carried by regional rail and the other parts of the system was estimated from marketing studies conducted by SEPTA. Third, the income figures were translated into tax revenues for the State of Pennsylvania and the City of Philadelphia by applying the appropriate rates.

Since ridership in 1993 was affected by SEPTA's railworks project, an unusual circumstance that will not be replicated in the next few years, PEL generated ridership and revenue estimates for the last five years. This perspective provides a better estimate of the number of workers transported by SEPTA in usual circumstances. It allows for the assessment of "Railworks" impact on ridership and for tracking work-related ridership and revenue trends.

In making this estimate, direct figures for workers transported daily and income were not available to PEL. PEL estimated these figures from SEPTA ridership reports, 1990 Census data, and SEPTA surveys of trailpass and transpass users. The resulting tax revenue figures should be valid as general indicators of the revenue generated by SEPTA riders. However, due to the fact that the figures were generated through a series of estimates, the precise numbers should be quoted with some caution.

Ridership

PEL estimates of the daily number of workers transported by SEPTA's regional rail system over the last five years are shown in Table 9. PEL divided workers transported by SEPTA between the regional rail system and all the other divisions in order to make use of income related information available through surveys of Transpass and Trailpass users. PEL derived these estimates in the following manner. First, the average number of daily linked trips for the regional rail system was calculated by taking the reported number of annual trips for regional rail and dividing by a factor derived from the 1993 relationship between total annual linked trips and average daily linked trips reported by SEPTA. Second, average daily linked trips were multiplied by the percentage of such trips estimated to be work-related by SEPTA. In the case of the regional rail system, 85 percent of the average daily trips are estimated to be work-related. Finally, the resulting number of work trips was divided by 2, assuming that each worker makes two work-related trips per day.³

³ Southeastern Pennsylvania Transportation Authority, *Ridership and Statistics Report, Fiscal Year 93*: 7.

Table 9
Workers transported by SEPTA
Regional Rail v. Other Systems

	1989	1990	1991	1992	1993
Average daily linked trips (Regional Rail)	84,418	85,250	81,511	73,877	67,081
Average daily work trips (Regional Rail)	71,755	72,462	69,285	62,796	57,019
Average workers transported by SEPTA (Regional Rail)	35,878	36,231	34,642	31,398	28,509

As Table 9 shows, the number of workers transported by SEPTA Regional Rail has dropped significantly since 1989. Much of this can be attributable to "Railworks." The years 1989 to 1991 average about 35,000 workers transported daily by the regional rail system. For the two years of Railworks, the number of workers using the regional rails dropped to approximately 31,000 in 1992 and 28,500 in 1993.

One other set of worker-related ridership statistics was estimated by PEL in order to calculate income tax revenues. The second set of statistics divides worker-riders by destination, specifically those whose work destination is Center City Philadelphia as against all other destinations. Dividing workers transported by SEPTA between Center City and all other destinations was used to approximate the number of SEPTA transported workers paying the Philadelphia wage tax and the rate at which the tax would be levied.

In Table 10 below, the destination of workers transported by the regional rail system is determined for Center City Philadelphia as opposed to all other locations. PEL estimates that approximately 81 percent of rail commuters have Center City Philadelphia as their work destination. This figure is based on SEPTA's FY93 ridership report which shows that 81.06 percent of the regional rail commutes have Center City Philadelphia as the destination.⁴

⁴ Southeastern Pennsylvania Transportation Authority, *Ridership and Statistics Report, Fiscal Year 93*: 37.

Table 10
Workers transported by Regional Rail
Destination

	1989	1990	1991	1992	1993
Average workers transported by SEPTA (Regional Rail)	35,878	36,231	34,642	31,398	28,509
Percent commuting to Center City	81.06%	81.06%	81.06%	81.06%	81.06%
Workers transported by Regional Rail to Center City	29,084	29,370	28,082	25,452	23,111
Workers transported by Regional Rail - Reverse Commute	6,794	6,861	6,560	5,945	5,398

Table 11 shows the calculation of workers transported by SEPTA divisions other than regional rail. Following the procedure described above for calculating workers transported by regional rail, PEL first estimated the number of daily linked trips for the system as a whole for the years 1989 through 1993. Next the number of average daily linked trips for divisions other than regional rail was determined by subtracting the number of daily regional rail trips from the totals for the system. Average daily work trips are calculated by applying the estimated ratio of work trips to total trips as reported by SEPTA and the 1990 US Census. The percent of all trips estimated to be work-related is 60 percent. Finally the number of average daily work trips is divided by 2 to determine the number of workers transported by the non-regional divisions.

Table 11
Workers transported by Other Divisions

	1989	1990	1991	1992	1993
Average daily linked trips (Total System)	850,910	804,848	760,147	738,687	724,000
Average daily linked trips (Bus, Subway/Elevated, Light Rail, Trackless)	766,492	719,598	678,636	664,810	656,919
Average daily work trips (Bus, Subway/Elevated, Light Rail, Trackless)	459,895	431,759	407,182	398,886	394,152
Average workers transported by SEPTA (Bus, Subway/Elevated, Light Rail, Trackless)	229,948	215,879	203,591	199,443	197,076

Table 12 deals with the question of work destination for workers transported by SEPTA's non-regional rail. Rather than identifying the portion of commuters headed for Center City Philadelphia, the table calculates the percentage of non-regional rail commuters transported by SEPTA's City Transit Division. The resulting figure is then used as the number of workers transported by SEPTA divisions other than regional rail that work in Philadelphia and pay the city's wage tax.

Based on SEPTA's FY93 Ridership Report, the City Transit Division is responsible for 92.1 percent of the total passenger trips in the entire system excepting regional rail.⁵ Applying this percentage to the estimated workers transported by SEPTA's non-regional rail divisions for the years 1989 to 1993 produces the estimated workers using mass transit options other than regional rail to get to work in Philadelphia, as shown in Table 12 below.

Table 12
Workers Transported by Other Divisions
Destination

	1989	1990	1991	1992	1993
Average workers transported by SEPTA (Bus, Subway/Elevated, Light Rail, Trackless)	229,948	215,879	203,591	199,443	197,076
Percent City Transit	92.11%	92.11%	92.11%	92.11%	92.11%
Average workers transported by SEPTA (Bus, Subway/Elevated, Light Rail, Trackless) Philadelphia	211,806	198,848	187,529	183,708	181,528
Average workers transported by SEPTA (Bus, Subway/Elevated, Light Rail, Trackless) Suburbs	18,142	17,032	16,062	15,735	15,548

⁵ Southeastern Pennsylvania Transportation Authority, *Ridership and Statistics Report, Fiscal Year 93*: 12.

Income and Tax Revenues

After determining the level and distribution of workers commuting through SEPTA, PEL estimated income levels for these workers. For this task, PEL used surveys conducted for SEPTA in September 1993 of Trailpass and Transpass users. The Trailpass survey contains demographic information about riders using the regional rail system, while the Transpass survey identifies the demographic features of regular riders on other divisions.

Each survey asks respondents to identify their annual household income. Unfortunately, household income does not identify the wage or income of the worker-rider that we are interested in, rather it identifies the income of the entire family that the worker-rider is a part of. Therefore, household income in many instances will include both the income of the worker-rider and possibly the spouse of the worker-rider in effect double counting the effective income of the worker-rider for our purposes, particularly if both work in Center City.

In order to use the household income figures in the SEPTA surveys, PEL had to divide households by type, i.e. two-earner households versus single-earner units, male-headed households versus female-headed ones, etc. Dividing households by type identifies the number of riders whose individual incomes essentially equaled their household incomes as opposed to the number of riders for whom individual income is only part of the household income. For this purpose, the relevant categories are family households with two earners, family households with one earner, single adult male households, and single adult female households.

PEL divided households by type using information from the US Bureau of the Census. The Census data identify the distribution of household types for the entire United States. PEL applied this distribution to SEPTA rider households, assuming that the SEPTA distribution mirrored the national distribution.

In addition to dividing households by type, PEL also calculated the median income for riders from each type of household. The SEPTA surveys identify median household income for all rider types. Median incomes for riders from different household types can be derived by taking the relationship between the US median income for a specific household type and the US median for all households then applying the subsequent ratio to the median income for all SEPTA rider households. For example, the median income for single-earner family households in 1991 was \$30,075 compared to the median income for all households of \$30,126. The resultant ratio for single-earner families to all households is slightly less than 1.0. The median income for SEPTA Trailpass users is \$62,500. Applying the ratio of just under one for single-earner families generates a median income figure of \$62,394 for regional rail rider-workers from single-earner families.

In Table 13, the survey of Trailpass users is employed to develop the base from which an estimate of the income from workers transported by the regional rail system can be made. Worker-riders are identified by household type. The number of SEPTA commuters in each household category is calculated for the years 1989 to 1993 by dividing the number of regional rail riders determined in Table 9 by the proportion of each household type found

in the nation as a whole. For each household type a median income figure is calculated based on the results of the survey using the technique detailed above.

Table 13
Regional Rail Ridership Income Profile

Household Category	Average Salary	SEPTA Commuters				
		1989	1990	1991	1992	1993
Family (Two-earners)						
Male rider	66,583	5,566	5,621	5,375	4,871	4,423
Female rider	33,348	6,030	6,090	5,823	5,277	4,792
Family (One-earner)	62,394	8,076	8,155	7,798	7,067	6,417
Male Householder	58,817	5,795	5,852	5,596	5,072	4,605
Female Householder	34,629	10,411	10,513	10,052	9,111	8,272
Total		35,878	36,232	34,643	31,398	28,510

Table 14 shows the estimated income of worker-riders on the regional rail division for the years 1989 to 1993 based on rider and income data developed in Table 13. Due to declining numbers in ridership, total income is estimated to have dropped from approximately \$1.5 billion in 1989 to \$1.4 billion in 1993. All dollar amounts are based on the Trailpass survey conducted in 1993 and the relationship of those survey results to national income figures from 1991. The 1989 through 1992 estimates contain adjustments for changes occurring to the regions consumer price index (CPI).

Table 14
Regional Rail Total Income by Household Category

Household Category	SEPTA Income				
	1989	1990	1991	1992	1993
Family (Two-earners)					
Male rider	315,588,822	340,914,884	339,797,445	316,527,462	294,511,789
Female rider	171,236,399	184,978,152	184,371,837	171,745,699	159,800,141
Family (One-earner)	429,042,509	463,473,250	461,954,094	430,318,588	400,388,315
Male Householder	290,235,924	313,527,410	312,499,741	291,099,157	270,852,118
Female Householder	306,971,331	331,605,837	330,518,911	307,884,340	286,469,828
Total	1,513,074,985	1,634,499,532	1,629,142,029	1,517,575,245	1,412,022,191

Two types of tax revenue impact are estimated from the ridership and income data calculated above. The first is the total state income tax generated by workers using SEPTA to get to their jobs. The second is the total Philadelphia wage tax generated by workers using SEPTA to get to their jobs in the city. Table 15 identifies the tax impacts of the regional rail division.

To determine the income tax generated to the State of Pennsylvania by regional rail commuters, the total income of regional rail worker-riders calculated in Table 14 is multiplied by the effective state personal income tax rate for the year involved. This rate is 2.1 percent for the years 1989 and 1990; 2.6 percent for 1991; 2.95 percent for 1992; and 2.8 percent for 1993. The result is an estimated \$39.5 million in state income tax contributed by riders commuting to their jobs on SEPTA's regional rails in 1993, up from \$31.8 million in 1989 when ridership was higher, but the tax rate was lower.

To identify the impact on the city of Philadelphia regional rail riders are divided into city and suburban commuters. This division is made on the basis of the monthly trailpass survey which identifies 19 percent of regional rail users as living in Philadelphia.⁶ Multiplying the 19 percent of regional rail income by the city wage tax rate of 4.96 percent produces \$13.3 million in wage taxes from city commuters on the regional rails for 1993. For the more usual years of regional rail ridership the figures average over \$15 million. The remaining 81 percent of regional rail income is taxed at the suburban rate of 4.325 percent, resulting in \$49.5 million for the City of Philadelphia coming from suburban regional rail commuters in 1993. For the years when "Railworks" was not in effect (1989-1991), the median tax revenue generated from suburban commuters is estimated at \$57 million. The total tax effect for the City of Philadelphia in 1993 is \$62.8 million from the regional rail system. In recent years without the extraordinary impacts of reconstructing a major portion of the system, the tax revenue impact was about \$72 million.

Table 15
Regional Rail Income Tax Effect

Tax	1989	1990	1991	1992	1993
State	31,774,575	34,324,490	42,357,693	44,768,470	39,536,621
Philadelphia					
City	14,259,219	15,403,524	15,353,034	14,301,629	13,306,897
Suburban	53,006,799	57,260,605	57,072,918	53,164,455	49,466,667
Total	67,266,018	72,664,128	72,425,953	67,466,084	62,773,565

⁶Southeastern Pennsylvania Transportation Authority, *Trailpass Survey, September 1993: Appendix.*

Tables 16 through 18 detail the estimated income tax impacts of the remainder of the SEPTA system. The non-regional rail income profile of SEPTA commuters is shown in Table 16. As is evident from the table, the income of riders from bus, trolley, and light rail divisions is far below those commuters who use the regional rails to get to work. The median income of riders from the Transpass survey is \$25,000 compared with \$62,500 of riders responding to the Trailpass survey. However, the number of riders on the non-regional rail divisions is far greater than the amount transported by regional rail.

Table 16
Non-Regional Rail Ridership Income Profile

Household Category	Average Salary	1989	1990	SEPTA Commuters		1993
				1991	1992	
Family (Two-earners)						
Male rider	26,633	31,217	29,307	27,639	27,076	26,754
Female rider	13,339	43,109	40,472	38,168	37,390	36,946
Family (One-earner)	24,957	51,759	48,592	45,826	44,892	44,360
Male Householder	23,527	37,142	34,870	32,885	32,215	31,833
Female Householder	13,852	66,723	62,641	59,075	57,872	57,185

Table 17 shows that the total income of persons transported by the non-regional rail divisions exceeds that carried by regional rail by a ratio of more than 2 to 1. In 1993, estimated total income was \$3.8 billion. This is approximately the same amount as in 1989. Income levels for non-regional riders have remained relatively constant throughout this period despite declines in ridership. This results from the impact of inflation which increased dollar amounts by the virtually the same proportion as the drop in ridership.

Table 17
Non-Regional Rail Total Income by Household Category

Household Category	1989	1990	SEPTA Income		1993
			1991	1992	
Family (Two-earners)					
Male rider	707,927,074	710,948,440	698,932,307	703,709,159	712,543,706
Female rider	489,643,048	491,732,799	483,421,750	486,725,696	492,836,176
Family (One-earner)	1,099,915,139	1,104,609,474	1,085,939,858	1,093,361,713	1,107,088,058
Male Householder	744,063,536	747,239,129	734,609,627	739,630,316	748,915,826
Female Householder	786,967,274	790,325,977	776,968,240	782,278,429	792,099,354
Total	3,828,516,070	3,844,855,819	3,779,871,782	3,805,705,312	3,853,483,120

In Table 18 the income base developed in Table 17 is multiplied in the same fashion as in Table 15 to produce the effect on the State of Pennsylvania's income tax revenues. The result is \$107 million for 1993. Though the years 1989 and 1990 were more prosperous, tax revenues were only about \$80 million due to the lower personal income tax rate. For the City of Philadelphia, PEL assumes that the income base for tax purposes is SEPTA's city transit division, which represents approximately 92 percent of the income base shown in Table 17. The income of commuters on this division, assuming they are all Philadelphia residents, is multiplied by the city wage tax rate of 4.96 percent producing a total tax revenue of \$176 million for 1993. This figure has been fairly consistent since 1989.

Table 18
Non-Rail Transit Divisions Income Tax Effect

Tax	1989	1990	1991	1992	1993
State	80,398,837	80,741,972	98,276,666	112,268,307	107,897,527
City	174,911,729	175,658,236	172,689,339	173,869,584	176,052,388

The combined effects of SEPTA's commuters on State and City tax revenues are listed in Table 19. For the State, SEPTA commuters contributed between \$112.2 million and \$157 million in income tax revenue for the years 1989 through 1993. For the City, the contribution ranged from \$238.8 million to \$248.3 million in wage taxes over the same period.

Table 19
SEPTA Income Tax Effect

Tax	1989	1990	1991	1992	1993
State	112,173,412	115,066,462	140,634,359	157,036,776	147,434,149
City	242,177,747	248,322,365	245,115,292	241,335,668	238,825,952