

Potential Funding Sources

- Sales Tax
- Personal Income Tax
- Property Tax
- Real Estate Transfer Tax
- Motor Fuel Tax
- Motor Vehicle Registration Fees
- Parking Tax
- Congestion Fee

(-) Negative implications

(?) Mixed or unknown

(+) Positive implications

Criteria

- Ease of Implementation
- Revenue Yield and Adequacy
- Stability and Sustainability
- Fairness and Equity
- Accountability and Tangible Results
- Political Acceptability

Sales Tax

Ease of Implementation	(+)	Ability to use existing mechanisms.
Revenue Yield and Adequacy	(+)	In calendar year 2004, a one-percent sales tax levy in northeastern Illinois generated over \$995 million. If one percent of that amount were reallocated to CMAP, it would generate about \$10 million a year.
Stability and Sustainability	(+)	Relatively stable year-to-year, some impact of business cycles.
Fairness and Equity	(?)	No clear connection to sales tax and the agency's responsibilities, however it is the funding mechanism for the RTA.
Accountability and Tangible Results	(?)	CMAP would have to define programs to demonstrate and measure performance.
Political Acceptability	(?)	Tax increase or potentially diverting from other distributions.

Personal Income Tax

Ease of Implementation	(-)	No local tax is authorized by statute. The Illinois Constitution prohibits even home-rule units from imposing income taxes without statutory authorization.
Revenue Yield and Adequacy	(+)	Revenues for FY 2004 equaled \$8,236,100,000, 3% of taxpayer's base income. Increasing the income tax rate from 3% to 3.25% would generate an additional \$686,341,667 for the state. Based on population, at least half of this increase would be for the region, meaning at least \$343,170,833 in revenue for the region.
Stability and Sustainability	(+)	Once in place, would be very stable year-to-year
Fairness and Equity	(+)	All those that work in the region would benefit.
Accountability and Tangible Results	(?)	CMAP would have to define programs to demonstrate and measure performance.
Political Acceptability	(-)	Significant barrier to implementation.

Property Tax

Ease of Implementation	(?)	Ability to use existing mechanisms, but potential problems with different property assessment schemes.
Revenue Yield and Adequacy	(+)	The seven county EAV is \$155,126,282,751; counties collect \$1,016,755,022; municipalities collect \$1,758,820,645; and townships collect \$222,278,462.
Stability and Sustainability	(+)	Once in place, would be very stable year-to-year.
Fairness and Equity	(+)	All those that work in the region would benefit.
Accountability and Tangible Results	(?)	CMAP would have to define programs to demonstrate and measure performance
Political Acceptability	(?)	Tax increase or potentially diverting from other distributions.

Real Estate Transfer Tax

Ease of Implementation	(+)	Real estate transfer taxes are state and local taxes that are assessed on real property when ownership of the property is transferred between parties. These taxes are used in many areas to fund programs designed to preserve rapidly depleting open spaces in commercial or residential areas, and to fund housing programs for low-income residents.
Revenue Yield and Adequacy	(+)	Cook County collection estimate for 2006 is \$26 million; the city of Chicago is \$228 million.
Stability and Sustainability	(?)	Dependant upon property transactions.
Fairness and Equity	(+)	Real estate transactions could be tied to planning.
Accountability and Tangible Results	(?)	CMAP would have to define programs to demonstrate and measure performance
Political Acceptability	(?)	Tax increase or potentially diverting from other distributions.

Motor Fuel Tax

Ease of Implementation	(?)	Ability to use existing mechanisms, but would need to alter the distribution.
Revenue Yield and Adequacy	(+)	In FY05, IDOT received nearly \$544 million in MFT allocations. To generate \$2.25 million is only 0.4 percent of IDOT's total allocation. Likewise, local agencies, municipalities, counties and road districts received nearly \$649 million. To generate \$2.25 million is redirection of 0.3 percent.
Stability and Sustainability	(?)	Future gas tax revenues can be affected by world oil prices, demand for gasoline, fuel economy and other factors.
Fairness and Equity	(?)	Motorists would bear the cost for regional planning.
Accountability and Tangible Results	(?)	CMAP would have to define programs to demonstrate and measure performance.
Political Acceptability	(?)	Tax increase or potentially diverting from other distributions.

Motor Vehicle Registration Fees

Ease of Implementation	(+)	Ability to use existing mechanisms.
Revenue Yield and Adequacy	(+)	FY 05 the Secretary of State collected \$614,333,622 in the region.
Stability and Sustainability	(+)	Once in place, would be very stable year-to-year.
Fairness and Equity	(?)	Motorists would bear the cost for regional planning.
Accountability and Tangible Results	(?)	CMAAP would have to define programs to demonstrate and measure performance.
Political Acceptability	(?)	Tax increase or potentially diverting from other distributions.

Parking Tax

Ease of Implementation	(?)	The RTA act allows the RTA Board to impose a motor vehicle parking tax that they can collect and enforce or contract with any unit of local government.
Revenue Yield and Adequacy	(?)	The amount of revenue dependant upon tax rate and enforcement. (e.g. Vancouver expects \$20 million in yearly revenue with the per space tax-Chicago region is five times larger in population and land mass.)
Stability and Sustainability	(?)	Potential problems with collection and enforcement.
Fairness and Equity	(?)	Motorists would bear the cost for regional planning.
Accountability and Tangible Results	(?)	CMAAP would have to define programs to demonstrate and measure performance.
Political Acceptability	(?)	Potentially a new taxing source.

Congestion Fee

Ease of Implementation	(-)	Difficult for the region to define the congestion area, potentially multiple areas based on the London model. Examine the potential for High Occupancy Toll (HOT) lanes.
Revenue Yield and Adequacy	(?)	More research is needed for revenue forecasting.
Stability and Sustainability	(?)	Dependant upon level of congestion.
Fairness and Equity	(-)	Could be a negative factor for users or business location.
Accountability and Tangible Results	(?)	CMAAP would have to define programs to demonstrate and measure performance.
Political Acceptability	(?)	Potentially a new taxing source.