

# THE IMPACT OF MTA'S CONGESTION TAX ON NJ FAMILIES



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NEW JERSEY'S FIFTH DISTRICT



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# KEY FINDINGS

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- The December 6, 2023 decision to proceed with the Congestion Tax by the unelected, political appointees of New York’s Metropolitan Transportation Authority (MTA), with zero New Jersey representation or benefit, **will increase commuter costs, congestion, and cancer-causing pollution in New Jersey and the outer boroughs.**
- **Excessive Revenue Generation:** Using data cited in the Traffic Mobility Review Board’s (TMRB) report to the MTA, the **Congestion Tax is expected to raise \$3.4 billion in a year, well above the \$1 billion objective** required by New York’s State Legislature.
- Even if the MTA doesn’t charge a nickel to those crossing the George Washington Bridge, Lincoln Tunnel, and Holland Tunnel, New York will still raise \$1.4 billion through its Congestion Tax proposal. That’s \$400 million above its target. As such, **the MTA could — and should — exempt all New Jersey crossings from the Congestion Tax and still raise its target of \$1 billion.**
- Through current tolls to cross the Lincoln Tunnel, Holland Tunnel, George Washington Bridge, Bayonne Bridge, Goethals Bridge, and Outerbridge Crossing, New York already made \$1.8 billion in 2022 from these New Jersey to New York crossings.
- Per the MTA’s current proposal, the Congestion Tax will cost New Jersey and New York drivers **up to \$24.75 a day — nearly \$6,500 a year** — on top of the \$17-a-day tolls for bridges and tunnels and the cost of gas and parking, just to drive south of 60th Street in New York City.
- **On a Gridlock Alert Day**, at the MTA’s sole discretion, a driver entering into the Central Business District will pay up to 25 percent more or **\$30.94 a day in “Surge Pricing.”**
- The MTA, by their own authority, can **raise the Congestion Tax by 10 percent** in 2024 — up to \$16.50 a day and more than \$20 on Gridlock Alert Days.
- The Congestion Tax will likely result in a **\$830 million loss to the Port Authority capital projects in infrastructure investment** over the next decade, directly damaging mass transit in the region, such as renovating the **Port Authority Bus Terminal**, replacing the Lincoln Tunnel helix, and repairing the George Washington Bridge suspension cables.

# 1). EXCESSIVE REVENUE GENERATION

## The Congestion Tax Raises 3x More Than New York Legislation Required \$1.4 Billion Would Still be Raised if All NJ Crossings Were Exempt from the Congestion Tax

As part of the \$175 billion New York state budget in 2019, the New York State Legislature created the Congestion Tax through the MTA Reform and Traffic Mobility Act.

- The 2019 MTA Reform and Traffic Mobility Act directed the creation of a revenue stream that “at minimum, ensure[s] that annual revenues and fees collected under such program...fund fifteen billion dollars for capital projects for the 2020 to 2024 capital program, and any additional revenues above that amount to be available for any successor program.”<sup>1</sup>
- As reported, \$1 billion in new revenue would be used to secure \$15 billion in bonds to fund repairs and improvements exclusively for New York City transit.<sup>2</sup>
- The Federal Highway Administration, New York Department of Transportation, and New York City Department of Transportation explicitly state in their Final Environmental Assessment that \$1.02 billion is the “Net revenue to support MTA’s Capital Program.”<sup>3</sup>
- In their recommendations, the TMRB states that a Congestion Tax structure should prioritize keeping toll rates “as low as possible.”

Yet, using the data cited in the recommendation report by the TMRB and projections from the Port Authority of New York and New Jersey (Port Authority) data, the Congestion Tax revenue raised in a year will likely be **\$3.4 billion** — **three times the \$1 billion objective**.

Based on these estimates, **the MTA could exempt all New Jersey crossings (60th Street via George Washington Bridge, Lincoln Tunnel, and Holland Tunnel) from the Congestion Tax and still raise its target \$1 billion.** New York already generates billions from New Jersey crossings via the Port Authority.

The calculation uses the bottom end of the MTA’s potential pricing (without surge pricing and toll increases, including credits, assuming all trucks are priced as small size and all vehicles will use EZ-Pass, and using the MTA’s assumption of a 17 percent decrease in traffic entering the Congestion Zone).

# 2). ENCOURAGES TOLL SHOPPING

## MTA’s Pricing Scheme Pushes More Trucks to the GW Bridge, Car Traffic to Tunnels, Pollution Will Surge GW Bridge Pricing Must be Same as Lincoln, Holland Tunnels

- Not only will the Congestion Tax push trucks to the George Washington Bridge, but the price difference will force more cars to back up at the tunnels. The MTA’s proposed pricing scheme encourages toll shopping.
- The MTA has setup a scheme where certain crossings are more expensive than others. The Holland Tunnel and Lincoln Tunnel are provided a \$5 discount on the Congestion Tax; the George Washington Bridge receives none. As a result, this will attract more truck traffic to the bridge to avoid the Congestion Tax zone, causing more truck polluting emission into Northern New Jersey, and forcing more car commuters to the Holland or Lincoln Tunnels to seek lower daily costs.
- The cost of entering the Central Business District (CBD) differs across the eleven primary entry points into Manhattan. Credits only apply to vehicles entering through Queens-Midtown, Hugh L. Carey, Holland Tunnel, and Lincoln Tunnel. There is no credit for the George Washington Bridge.

<sup>1</sup> N.Y. Veh. & Traf. Law § 1704-a(11-18).

<sup>2</sup> Carlos Waters, Here’s how New York City is planning to spend \$15 billion raised from a new congestion pricing toll, CNBC, Oct. 8, 2023, <https://www.cnbc.com/2023/10/08/mta-zero-emission-buses-and-expanded-service-funded-with-toll.html>; Ana Ley, Congestion Pricing Delays Threaten Subway Projects, M.T.A. Chair Says, N.Y. Times, Oct. 25, 2023, <https://www.nytimes.com/2023/10/25/nyregion/mta-congestion-pricing-nj-lawsuit.html>.

<sup>3</sup> Federal Highway Administration, Triborough Bridge and Tunnel Authority, New York State Department of Transportation, New York City Department of Transportation, Final Environmental Assessment for Central Business District Tolling Program, p.2-40 (Apr. 2023), <https://new.mta.info/document/111101>.

<sup>4</sup> Ibid., 4A-12.



# HOW THE MATH WORKS

The MTA could exempt all New Jersey crossings (60th Street via George Washington Bridge, Lincoln Tunnel, and Holland Tunnel) from the Congestion Tax and still raise its target \$1.02 billion.

The following table was compiled using public data from the TMRB's Congestion Tax report, the Port Authority of New York and New Jersey's 2022 Monthly Traffic and Percent of E-ZPass Usage report, and the New York Metropolitan Transportation Council's Hub Bound Travel Data Report. The calculation uses the bottom end of the MTA's potential pricing (without surge pricing and toll increases, including credits, assuming all trucks are priced as small size and all vehicles will use EZ-Pass, and using the MTA's assumption of a 17 percent decrease in traffic entering the Congestion Zone).

## Annual Congestion Tax Revenue Raised With New York and New Jersey Crossings (\$3.4 billion)

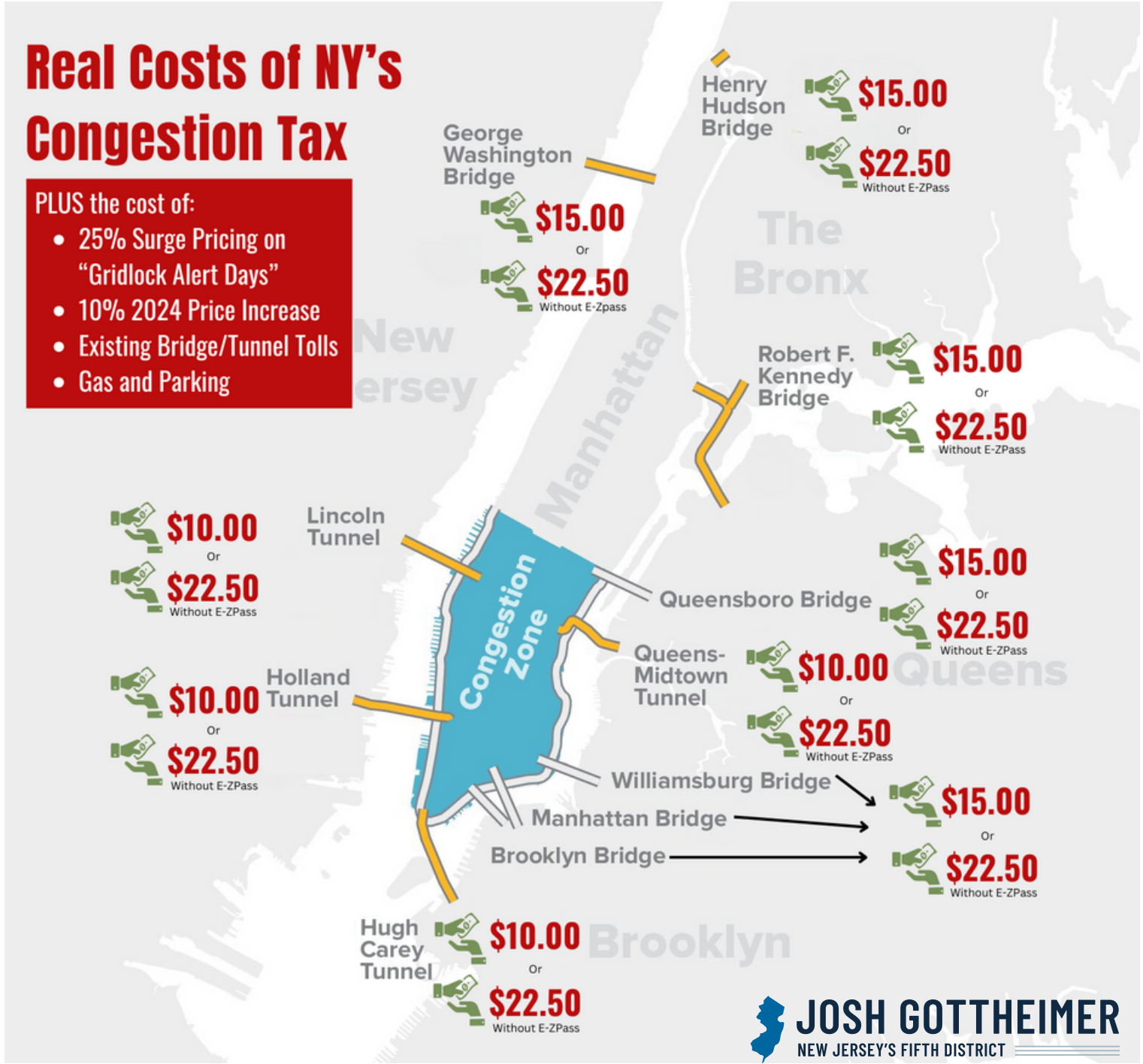
Weekdays	60th Street	Ed Koch Queensboro Bridge	Brooklyn Bridge	Williamsburg Bridge	Manhattan Bridge	Lincoln Tunnel	Holland Tunnel	Queens- Midtown Tunnel	Hugh L. Carey Tunnel	Total
Percentage of Entry	42%	9%	8%	7%	5%	9%	7%	7%	6%	100%
Drivers entering CBD	313,740	67,230	59,760	52,290	37,350	67,230	52,290	52,290	44,820	747,000
Automobiles	250,992	53,784	47,808	41,832	29,880	53,784	41,832	41,832	35,856	597,600
Trucks	62,748	13,446	11,952	10,458	7,470	13,446	10,458	10,458	8,964	149,400
Automobiles at Peak (5:00 a.m. to 9:00 p.m.)	211,782	45,382	40,339	35,297	25,212	45,382	35,297	35,297	30,255	504,243
Trucks at Peak (5:00 a.m. to 9:00 p.m.)	52,945	11,345	10,085	8,824	6,303	11,345	8,824	8,824	7,564	126,061
Automobiles at Off-Peak (9:00 p.m. to 5:00 a.m.)	39,210	8,402	7,469	6,535	4,668	8,402	6,535	6,535	5,601	93,357
Trucks at Off-Peak (9:00 p.m. to 5:00 a.m.)	9,803	2,101	1,867	1,634	1,167	2,101	1,634	1,634	1,400	23,339
Congestion Tax with Credit (Cars)	\$15	\$15	\$15	\$15	\$15	\$10	\$10	\$10	\$10	
Congestion Tax with Credit (Trucks)	\$24	\$24	\$24	\$24	\$24	\$12	\$12	\$12	\$12	
Congestion Tax Off-Peak (Cars)	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	
Congestion Tax Off-Peak (Trucks)	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$6	
Revenue Raised in a Day (Cars)	\$3,323,767	\$712,236	\$633,098	\$553,961	\$395,687	\$485,327	\$377,476	\$377,476	\$323,551	\$7,182,578
Revenue Raised in a Day (Trucks)	\$1,329,507	\$284,894	\$253,239	\$221,584	\$158,275	\$148,749	\$115,693	\$115,693	\$99,166	\$2,726,801
Revenue Raised in a Year (Cars)	\$864,179,335	\$185,181,286	\$164,605,588	\$144,029,889	\$102,878,492	\$126,184,892	\$98,143,805	\$98,143,805	\$84,123,262	\$1,867,470,354
Revenue Raised in a Year (Trucks)	\$345,671,734	\$74,072,514	\$65,842,235	\$57,611,956	\$41,151,397	\$38,674,678	\$30,080,305	\$30,080,305	\$25,783,119	\$708,968,243
<b>Total Revenue Raised in a Year (Weekdays)</b>										<b>\$2,576,438,598</b>
Weekends	60th Street	Ed Koch Queensboro Bridge	Brooklyn Bridge	Williamsburg Bridge	Manhattan Bridge	Lincoln Tunnel	Holland Tunnel	Queens- Midtown Tunnel	Hugh L. Carey Tunnel	Total
Percentage of Entry	42%	9%	8%	7%	5%	9%	7%	7%	6%	100%
Drivers entering CBD	313,740	67,230	59,760	52,290	37,350	67,230	52,290	52,290	44,820	747,000
Automobiles	250,992	53,784	47,808	41,832	29,880	53,784	41,832	41,832	35,856	597,600
Trucks	62,748	13,446	11,952	10,458	7,470	13,446	10,458	10,458	8,964	149,400
Automobiles at Peak (9:00 a.m. to 9:00 p.m.)	152,277	32,631	29,005	25,379	18,128	32,631	25,379	25,379	21,754	362,564
Trucks at Peak (9:00 a.m. to 9:00 p.m.)	38,069	8,158	7,251	6,345	4,532	8,158	6,345	6,345	5,438	90,641
Automobiles at Off-Peak (9:00 p.m. to 9:00 a.m.)	98,715	21,153	18,803	16,453	11,752	21,153	16,453	16,453	14,102	235,036
Trucks at Off-Peak (9:00 p.m. to 9:00 a.m.)	24,679	5,288	4,701	4,113	2,938	5,288	4,113	4,113	3,526	58,759
Congestion Tax with Credit (Cars)	\$15	\$15	\$15	\$15	\$15	\$10	\$10	\$10	\$10	
Congestion Tax with Credit (Trucks)	\$24	\$24	\$24	\$24	\$24	\$12	\$12	\$12	\$12	
Congestion Tax Off-Peak (Cars)	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	\$3.75	
Congestion Tax Off-Peak (Trucks)	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$6	
Revenue Raised in a Day (Cars)	\$2,654,334	\$568,786	\$505,587	\$442,389	\$315,992	\$405,632	\$315,492	\$315,492	\$270,421	\$5,794,125
Revenue Raised in a Day (Trucks)	\$1,061,734	\$227,514	\$202,235	\$176,956	\$126,397	\$129,622	\$100,817	\$100,817	\$86,415	\$2,212,507
Revenue Raised in a Year (Cars)	\$278,705,077	\$59,722,516	\$53,086,681	\$46,450,846	\$33,179,176	\$42,591,376	\$33,126,626	\$33,126,626	\$28,394,251	\$608,383,174
Revenue Raised in a Year (Trucks)	\$111,482,031	\$23,889,007	\$21,234,673	\$18,580,338	\$13,271,670	\$13,610,322	\$10,585,806	\$10,585,806	\$9,073,548	\$232,313,201
<b>Total Revenue Raised in a Year (Weekends)</b>										<b>\$840,696,375</b>
<b>Total Revenue Raised in a Year (Weekdays and Weekends)</b>										<b>\$3,417,134,973</b>

## Annual Congestion Tax Revenue Raised Without New Jersey Crossings (\$1.4 billion)

- \$3,417,134,973 (Total Annual Congestion Tax Revenue) **MINUS** \$1,965,963,987 (Total Annual Congestion Tax Revenue of NJ Crossings) **EQUALS** \$1,451,170,986 (Total Annual Congestion Tax Revenue Without NJ Crossings).
- The MTA would still generate more than \$1.4 billion in Congestion Tax revenue annually if all New Jersey crossings (60th Street via George Washington Bridge, Lincoln Tunnel, and Holland Tunnel) were exempt from the Congestion Tax.
- New York already receives billions of dollars each year via the Port Authority and the New Jersey crossings.

# THE DAILY COST OF NY'S CONGESTION TAX AT A GLANCE

The graphic below details the MTA's proposed daily cost of the Congestion Tax at each crossing.<sup>5</sup>



<sup>5</sup> There are no tolls on bridges operated by NYC DOT; [Traffic Mobility Review Board, Congestion Pricing in New York \(Nov. 30, 2023\)](#); [Port Authority of New York and New Jersey, 2023 Toll Rates \(Jan. 8, 2023\)](#); [MTA, Car Toll Rates \(Aug. 6, 2023\)](#).

### 3). HIDDEN FEES: SURGE PRICING, BUILT-IN 2024 TOLL INCREASES

- The MTA approved 25 percent daily Surge Pricing increases on so-called “Gridlock Alert Days.” New York has full discretion on when to designate these days. The MTA also reserved itself the ability to increase the Congestion Tax up to 10 percent in the first year, meaning that \$15 charge can suddenly become \$16.50, or more than \$20 on a Gridlock Alert Day. They have full discretion. They can increase the price from \$15 to \$20.63, or \$22.50 to \$30.94 in the case of no EZ-Pass.
- Low-income drivers cannot escape the tax bill either. Those who meet the arbitrary threshold set by the MTA and jump through the hoop of registering with the Triborough Bridge and Tunnel Authority will be granted 50 percent off tolls during the day after the first 10 trips in a calendar month. The real catch is unlocking this discount only comes after paying \$150 (if no credit) or \$100 (with credit) to the MTA.

### 4). LOST MASS TRANSIT REVENUE AND INVESTMENT: IMPACTING PORT AUTHORITY AND THE REGION

The Congestion Tax will rob and reduce the infrastructure investments that New Jersey and New York share. Estimates put the loss in revenue to Port Authority, the operator of JFK, LaGuardia, Newark airports, ports, PATH trains, George Washington Bridge, among other regional transit benefits, at more than \$830 million over the next decade.

CROSSING	2022 Port Authority Gross Operating Revenues	17% Loss in Port Authority Revenue	Total Loss to Port Authority in a Year	Total Loss to Port Authority in a Decade
Holland Tunnel	\$198,086,000	\$33,674,620	\$83,841,960	\$838,419,600
Lincoln Tunnel	\$295,102,000	\$50,167,340		

This creates a hole in lost revenue over the next decade for Port Authority capital projects — meaning fewer jobs for hardworking men and women of labor and fewer infrastructure improvements in Jersey and the region. This will hurt Port Authority Police, transportation workers, administrative staff, field supervisors, communications workers, maintenance workers, engineers, electricians, mechanics, carpenters, and other men and women of labor. The Congestion Tax will hurt critical Port Authority projects, including:

- Renovating the **Port Authority Bus Terminal** — which opened in 1950 and is in need of critical updates.
- Renovating the nearly 100-year-old **George Washington Bridge** to fix suspension cables.
- Replacing the **Lincoln Tunnel helix**, which is more than 80 years old.
- Repairs to runways, terminals, and Air Trains at Newark, La Guardia, and JFK airports — travel hubs that are critical to our economy and regular travel for Jersey families.
- **The Port Wharf Replacement Program** to replace waterfront structures needed for handling cargo at five port facilities — three in New Jersey and two in New York.

<sup>6</sup>This estimate comes from applying the 17 percent reduction to the 2022 Gross Operating Revenues of the Holland Tunnel and Lincoln Tunnel. Port Authority of New York and New Jersey, Annual Comprehensive Financial Report for the Year Ended December 31, 2022, Schedule E – Information on Port Authority Operations.

## 5). IMPACT ON SMALL BUSINESSES, DELIVERIES, TAXIS, TOURISTS, NURSES, FIRST RESPONDERS

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Under the current pricing scheme, the impact on New Jersey and the region is wide ranging:

- **Nurses, labor, and first responders** — FDNY, NYPD, EMT, education, and sanitation employees, among others — will have to pay the Congestion Tax. They receive no exemption on their commute, even when working night hours.
- Those traveling to **medical appointments** at Mount Sinai, NYU Langone, or New York Presbyterian in the CBD will get whacked by the Congestion Tax, despite the TMRB exempting authorized emergency vehicles.
- **Truck deliveries** are another target of the Congestion Tax. Even with the meager credits recommended, a New Jersey commercial truck paying the new tax and current Port Authority tolls will pay a \$28,080 yearly bill — more than double yearly tuition at Rutgers.
- **Taxi and ride-share drivers** are another business hit as they will now pay \$1.25 and \$2.50 respectively per-ride while driving in the CBD. The MTA has already been squeezing cabbies since 2019 with congestion surcharges that add \$2.50 for all trips south of 96th Street in Manhattan while for-hire vehicles pay \$2.75.<sup>7</sup> The Congestion Tax is another hit to the income of working-class drivers in New York City.
- The Congestion Tax will mean new fees for deliveries that will be passed down to **small business owners** and customers. It will price out small businesses that operate between New Jersey and New York, as well as New York small businesses, whether that's a restaurant, a dry cleaner, or a local store. Under the current scheme, on top of what folks already pay in tolls, gas, and parking, the Congestion Tax will drive many customers, including Jersey commuters, away from the city, decimating small business.
- The Congestion Tax will impact **tourist attractions and destinations** like **Broadway**. At a time when Broadway is still recovering to its pre-pandemic attendance numbers, the Congestion Tax will mean less Jersey commuters and tourists traveling into the city — crushing New York City and undermining the regional economy.

## 6). ENVIRONMENTAL IMPACT

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- By the MTA's own admission in their Environmental Assessment, the Congestion Tax would increase traffic, and increase pollutants and mobile air toxins through 2045 in the Bronx, Staten Island, Nassau County, and Bergen County (pages 10-21, 10-37, and 10-40).
- More cars and trucks will be diverted to Northern New Jersey and the outer boroughs just outside of the tolling zone — hurting lower income families.
- The Congestion Tax will result in an increase of pollutants and toxins — including carbon monoxide, nitrogen oxide, particulate matter, and even formaldehyde, a carcinogen — in New Jersey communities and the surrounding New York outer boroughs (pages 10-26 through 10-34). This would be the direct result of the increased traffic diverted from Manhattan to New Jersey, including an estimation of nearly a thousand additional trucks into Fort Lee, New Jersey.
- The negative environmental impacts on families will be so bad that the MTA is prepared to reportedly spend \$130 million from tolling to try and mitigate them in the Bronx and parts of the outer boroughs — but not a nickel in NJ.

<sup>7</sup> Ana Ley, Yellow Cabs Are Struggling. Congestion Pricing Could Deal a New Blow, N.Y. Times, Oct. 11, 2022, <https://www.nytimes.com/2022/10/11/nyregion/nyc-traffic-yellow-cab-tolls.html>.



## 7). CONCLUSIONS

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- The Congestion Tax is estimated to raise **\$3.4 billion** in a year, three times the New York State Legislature's required \$1 billion objective.
- Even without the Congestion Tax revenue raised from New Jersey crossings into the Central Business District (60th Street via George Washington Bridge, Lincoln Tunnel, and Holland Tunnel), the Congestion Tax is estimated to raise \$1.4 billion in a year. **Mathematically, the MTA could exempt all New Jersey crossings from the Congestion Tax and still raise its target \$1 billion.**
- The current pricing scheme allows the MTA to enact daily **25 percent surge pricing** and increase the Congestion Tax by 10 percent in the first year.
- The Congestion Tax will kill regional infrastructure as it drains **\$830 million** from the Port Authority over a decade.
- With zero New Jersey representation or benefit, the MTA's Congestion Tax will **increase traffic and cancer-causing pollution in Northern Jersey and the outer boroughs.**

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