Transit Cuts are the Wrong Direction for Massachusetts

PUBLIC TRANSIT PUBLIC GOOD
Riders, Workers and Communities United For Transit Justice

Today, public transit in Massachusetts is under threat. The MBTA recently announced that it is making **deep and permanent cuts** to transit service due to a COVID-19-era revenue shortfall of more than $500 million in FY22. Our Regional Transit Authorities (RTAs) are facing **uncertainty and delays** in the State funding they rely on. We must act to ensure that Massachusetts has the robust and well-funded public transit systems we need.

The importance of public transit during the pandemic

Although ridership has dropped during the pandemic, **bus and train service remains essential,** with riders making hundreds of thousands of trips each day. Communities of color and low income riders have continued to ride at higher levels than other segments. These riders include many frontline workers and communities at higher risk of COVID-19. Maintaining frequency of service is essential to ensuring that physical distancing is possible, which ensures riding transit is as safe as possible for riders and drivers.

Proposed MBTA cuts are deep and could impact all parts of the system

The MBTA is considering cost-cutting measures including service cuts, layoffs and more, putting riders and workers at risk. Threatened cuts could cause:

- Loss of early morning and late night service in the metro area and beyond.
- Longer wait times between buses and trains in the metro area and beyond.
- Cutting some bus routes entirely, in the metro area and beyond.
- Less frequency, closed stations, and weekend or after 9 p.m. service on the Commuter Rail.
- Higher costs and longer wait times for some seniors and people with disabilities who use the MBTA's paratransit service, The RIDE.

Cuts to transit endanger our health, economy and environment

Transit cuts are bad for Massachusetts because they:

- Slow our recovery and decrease economic opportunity.
  - Public transportation opens doors to economic opportunity.
  - Now and during our recovery, the reduced service will affect riders' ability to commute to work.
  - Laying off workers or otherwise eliminating jobs at the MBTA will **worsen the pandemic's economic effects** and could plunge even more families into poverty.

- Disregard the safety of essential workers by raising COVID-19 risks.
  - Operating fewer trains and buses causes crowding on MBTA vehicles, putting pressure on social distancing efforts and **endangering riders and workers.**
  - At this time, we need to expand our service options to counter the health risks of the pandemic and not exacerbate them.

- Worsen pollution, accelerate climate change, and increase traffic congestion.
  - When service is not available, commuters will use cars more often, creating **increased pollution** that contributes to climate change and is shown to increase COVID-19 cases.

We need meaningful public involvement and new progressive revenues for transit, not cuts.

We need a meaningful public input process to shape service at the MBTA

Public input around these deep cuts should be at least as comprehensive as in past years. In 2012, the T held dozens of public meetings spanning three months, in various municipalities and Boston neighborhoods affected by cuts and fare increases.

Today, the MBTA should **widely publicize the proposed cuts** to inform the public.

The MBTA should also hold a sufficient number of hearings to receive **input from the many geographies and populations** served by the T, to ensure maximum opportunity for riders to give input.

The plan for input should **promote inclusive public participation** as required by law, including targeted measures to address linguistic, institutional, cultural, economic, historical, or other barriers that may prevent communities of color, speakers of languages other than English, seniors and people with disabilities from effectively participating.

Invest in Massachusetts public transit with Corporate Fair Share Policies

The pandemic has shown that depending heavily on fare revenues and sales tax to fund transit is unsustainable. We need to **pass new, progressive revenue measures** for a more equitable and sustainable transit system.

Large corporations and their wealthy shareholders have used loopholes, tax breaks, and weak corporate disclosure laws to avoid paying their fair share of taxes for years. In the last four years, **large corporations have received federal tax cuts worth billions of dollars a year**, in Massachusetts alone. And during this economic crisis, many of these corporations have continued to generate enormous profits that flow to their extremely wealthy shareholders, even as most families are struggling to get by.

Raising progressive revenue to fund needed public goods — including public transit — will help **prevent a long recession, fight inequality, and advance economic opportunity.** Legislators should adopt policies that ask profitable corporations and their wealthy shareholders to do their part for our economic recovery by:

1. **Increasing the tax rate on corporate profits.** Businesses that are turning a profit should be expected to contribute more to support the public good. Raising the current rate of 8% to the pre-2010 rate of 9.5% could generate $375 - $500 million annually from profitable businesses, even during a recession.

2 **Taxing profits shifted overseas by increasing the tax rate on GILTI (global intangible low taxed income)**. Many multinational corporations that do business in Massachusetts dodge taxes through accounting schemes that make their Massachusetts-based profits look like they were earned in offshore tax havens. Massachusetts should follow many other states and match the federal provision that makes half of this income subject to tax. This could generate $200 - $400 million annually.

3. **Increase the tax rate that investors pay on unearned income.** Unearned income goes overwhelmingly to corporate shareholders and other high-income individuals, who currently pay a substantially smaller share of their income toward state and local taxes in Massachusetts than the rest of us do. Each percentage point increase from the current rate of 5% could generate $400 - $500 million annually.