

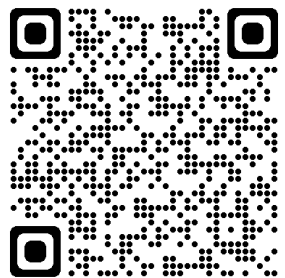


**Plan of Action for Regional Transit**  
Northeastern Illinois

**Lake County Board**

May 9, 2025

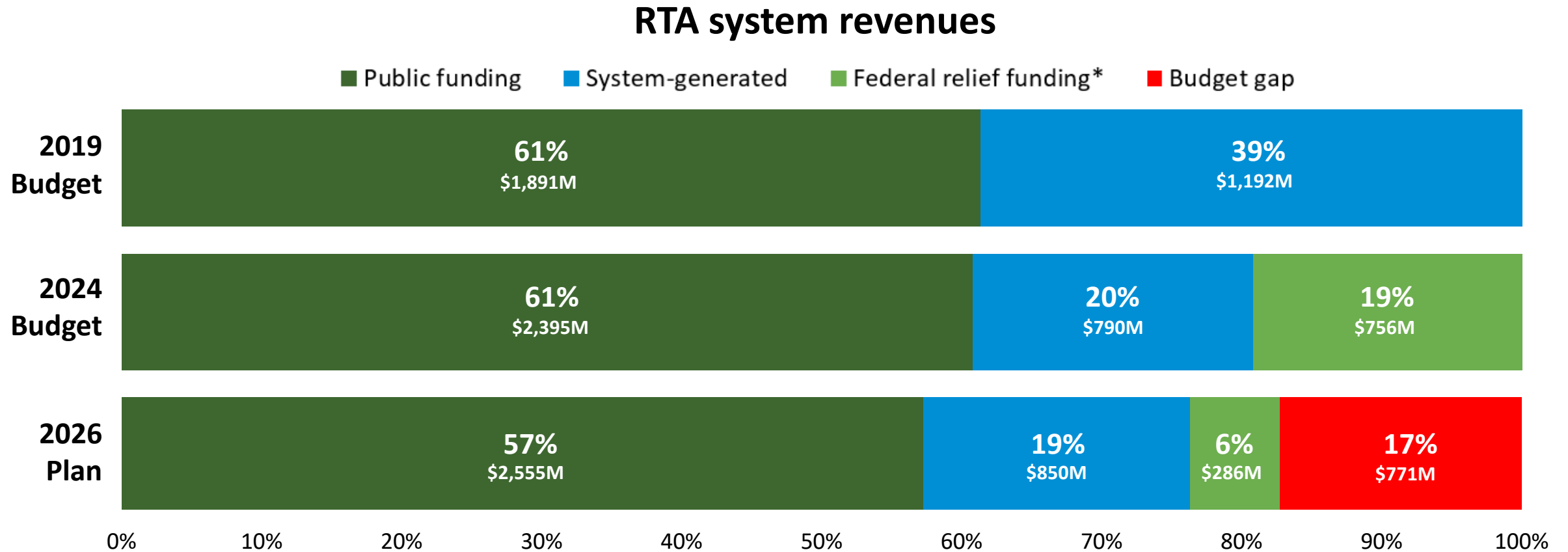
**Erin Aleman, Executive Director**



Chicago Metropolitan  
Agency for Planning



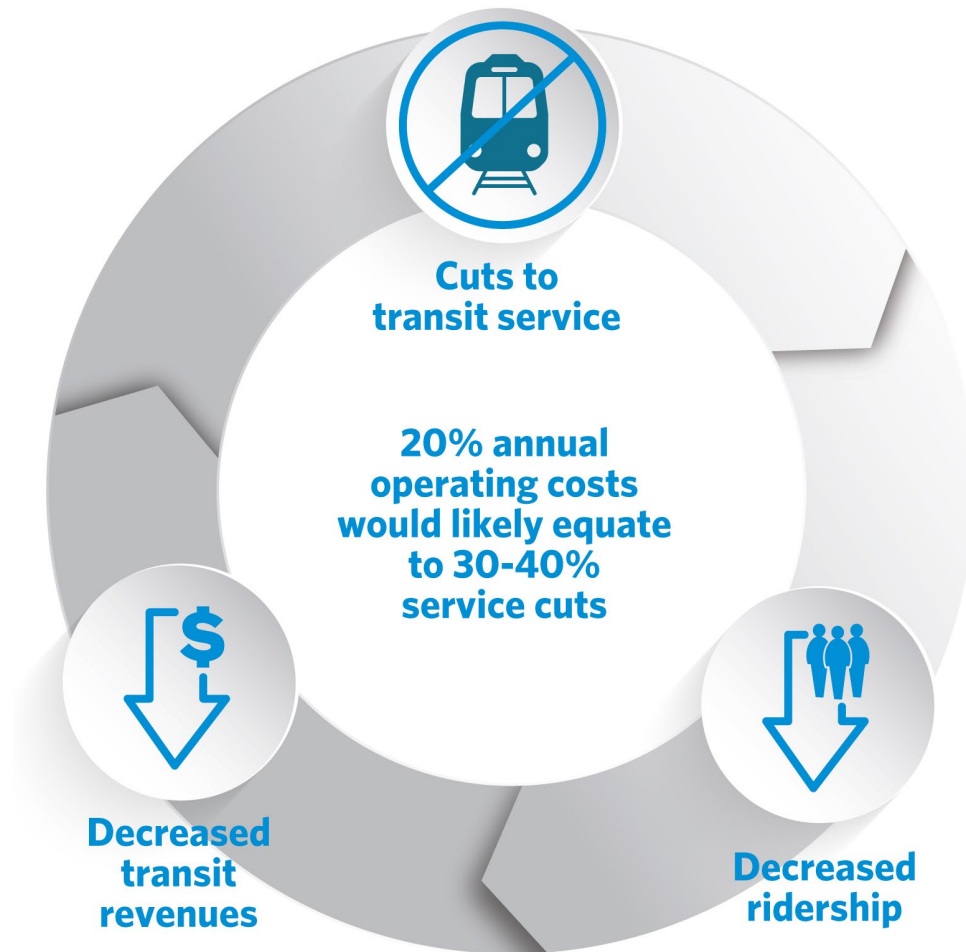
# The transit fiscal cliff



\* Total federal relief funding here includes positive budget variance created from relief funding realized in prior years.  
Source: Regional Transportation Authority adopted operating budgets for [2019](#), [2024](#), and [2025](#).

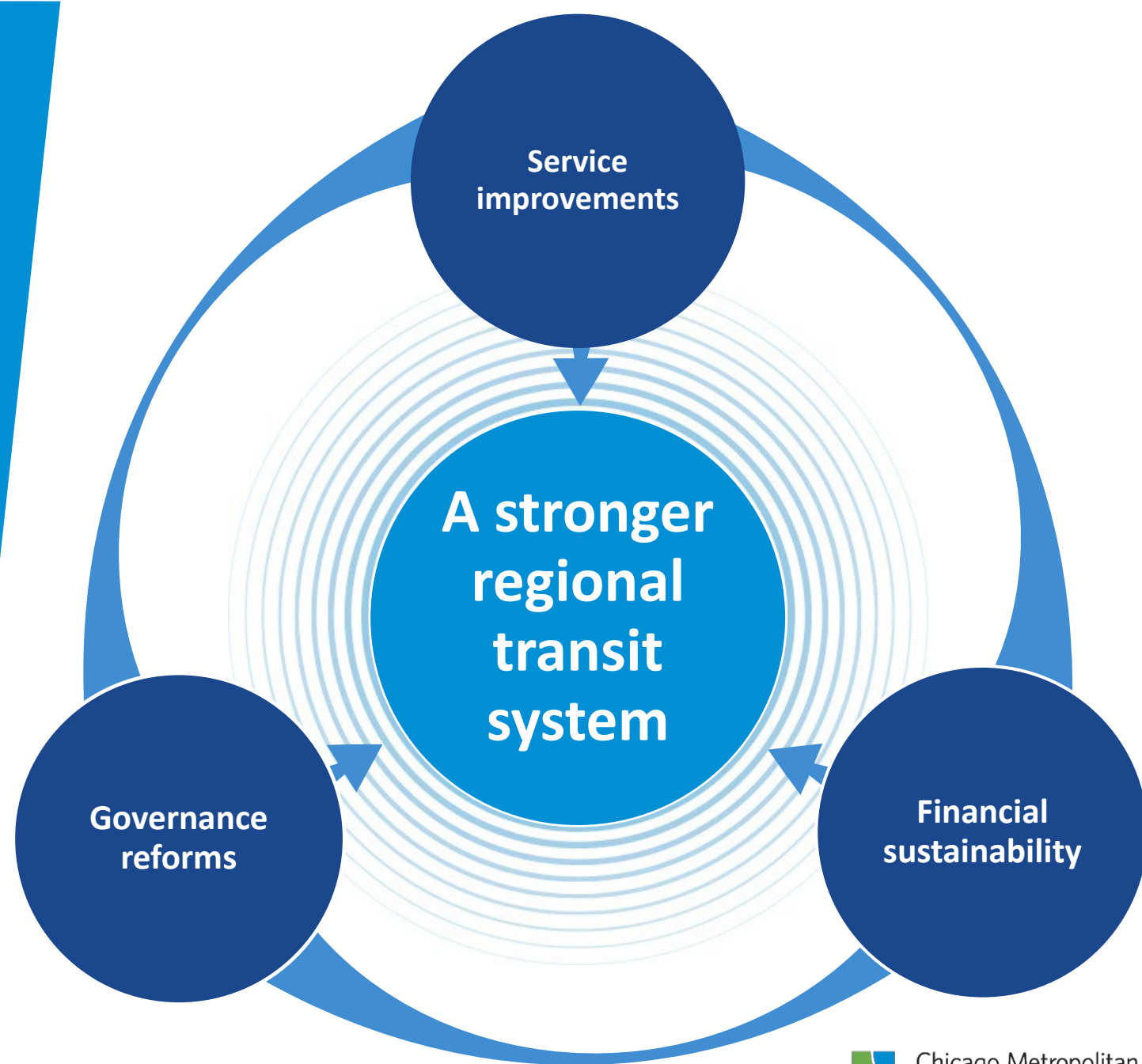
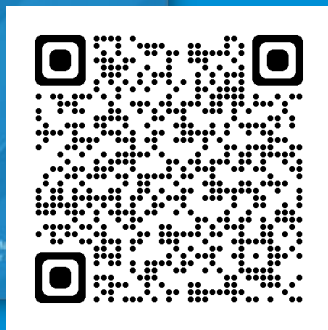


# The consequences of lost funding are dire





# PART identifies a package of interdependent solutions



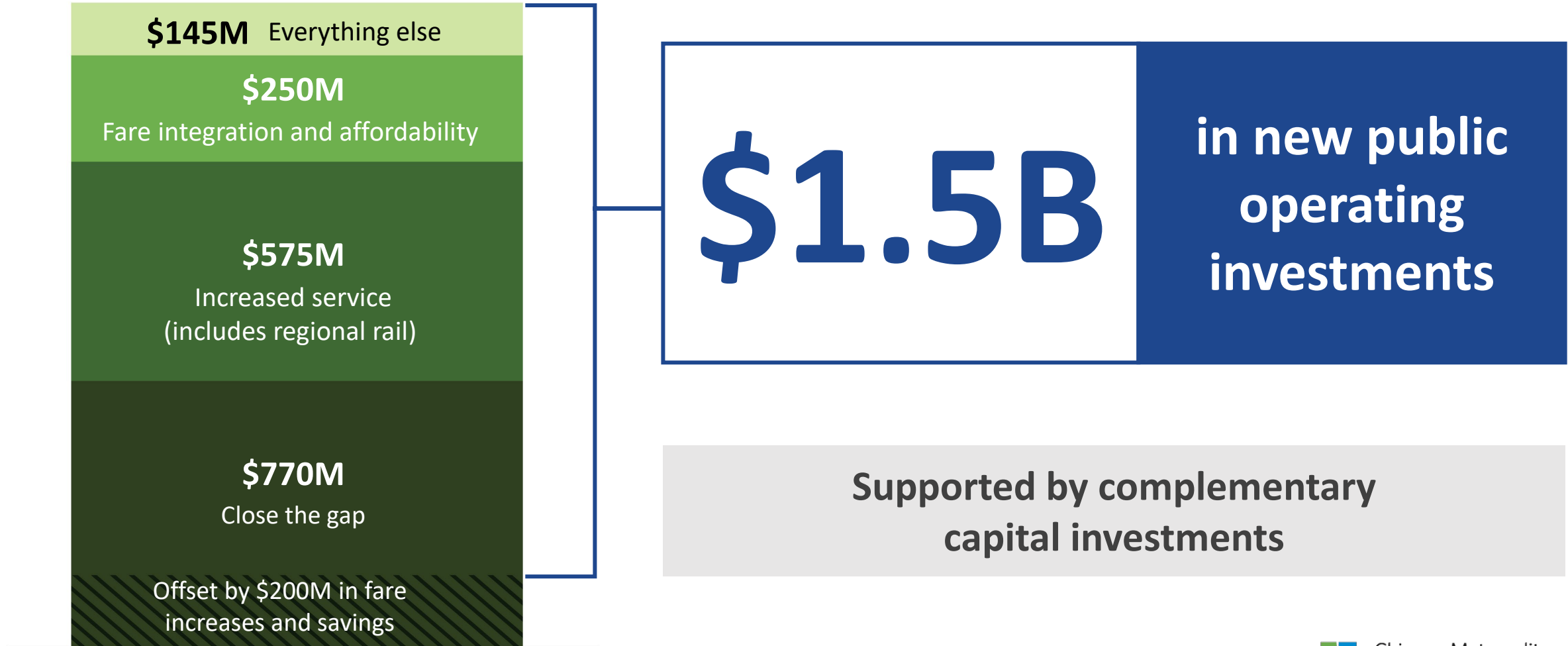




# Funding the transit system **the region wants**



# Delivering the system the region wants requires a transformational investment





# Success requires everyone to contribute

## Transit agencies

- Contain cost growth
- Grow ridership and fare revenue

## Transit users

- Pay modestly increased fares that adjust for inflation over time

## Regional taxpayers

- Pay modestly increased taxes and fees
- Increase vehicle registration fees and downtown parking taxes

### Near-term

- Increase RTA sales tax
- Increments on MFT and Tollway tolls

### Long-term

- Toll and road usage charge
- Congestion pricing
- Carbon policies

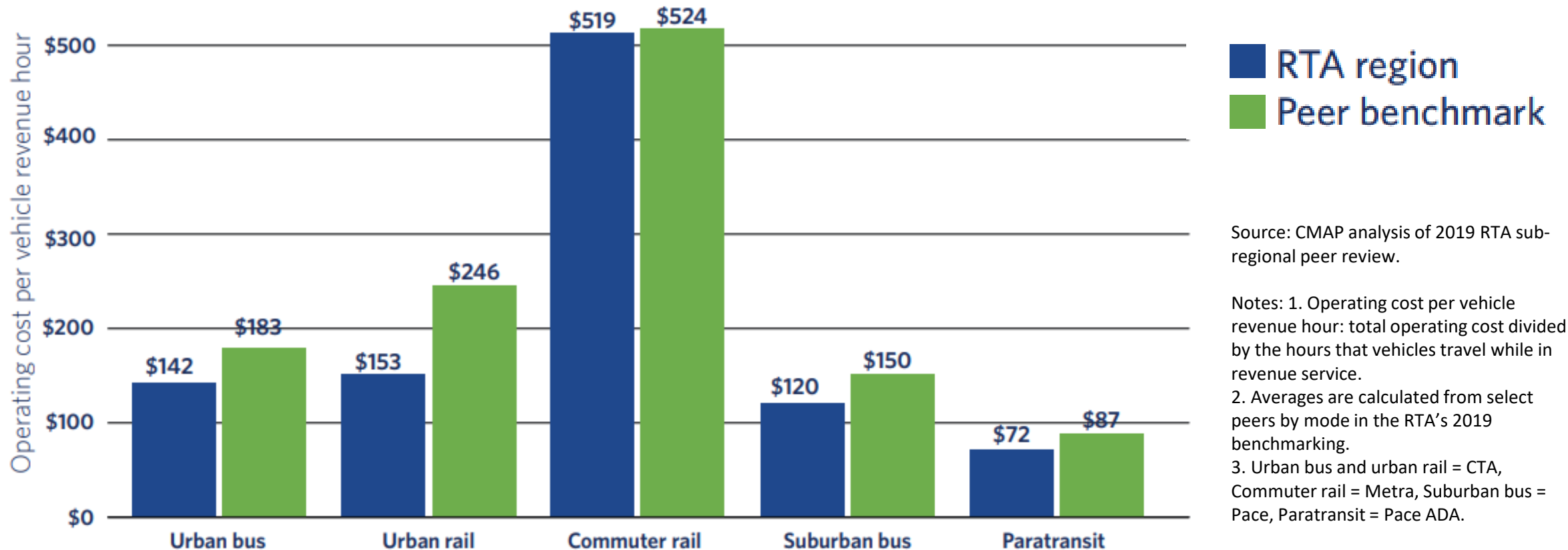
## State of Illinois

- Modernize the sales tax
- Modestly raise transportation fees
- Match new regional sales tax contributions
- Increase dedicated funding for paratransit
- Increase dedicated funding for low-income fare subsidies



# Continued commitment to cost containment and operating efficiency

## RTA service boards vs. peers: operating cost per vehicle revenue hour, 2019



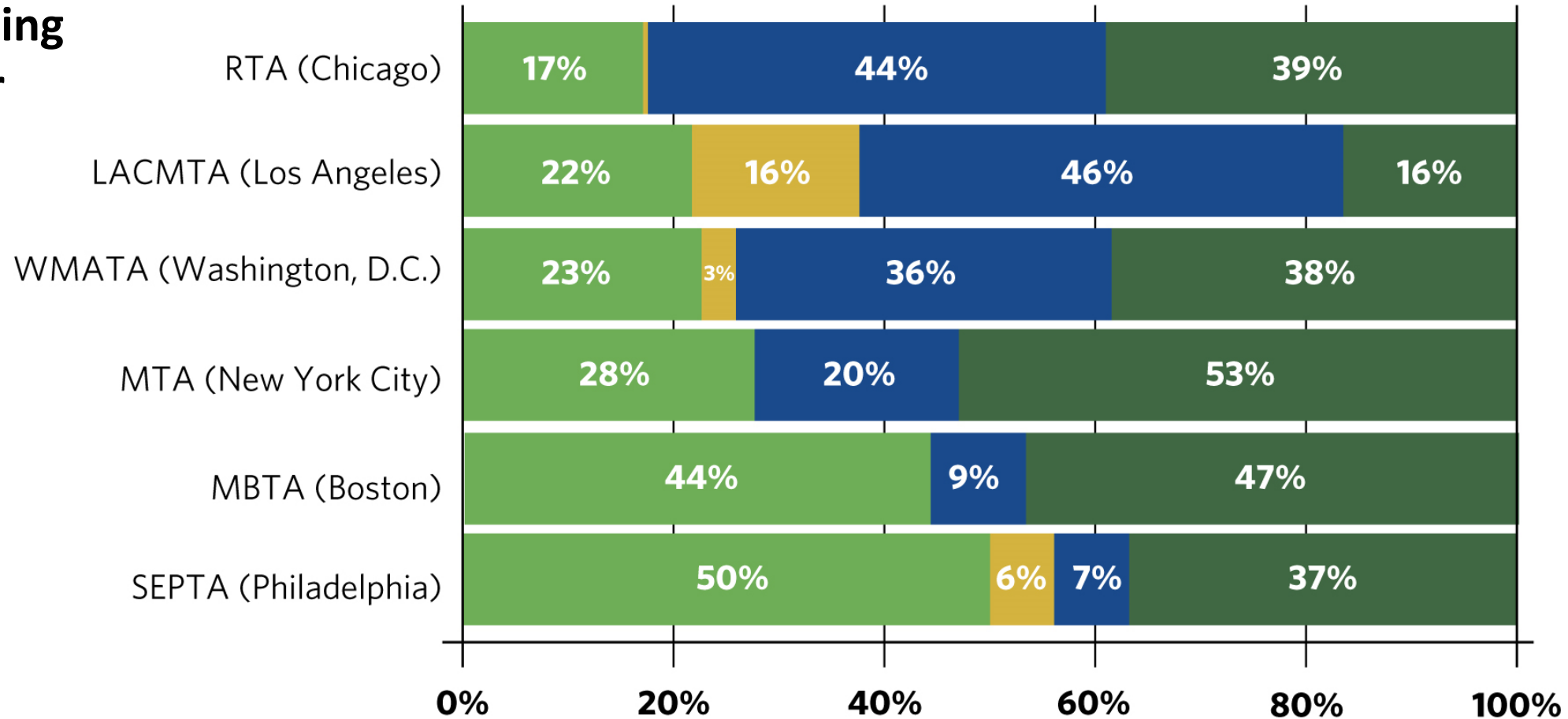
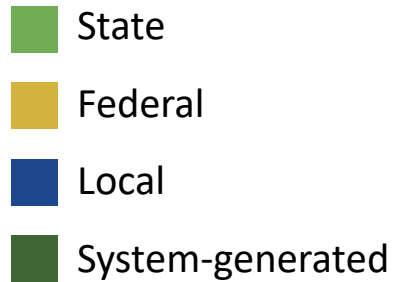
Source: CMAP analysis of 2019 RTA sub-regional peer review.

Notes: 1. Operating cost per vehicle revenue hour: total operating cost divided by the hours that vehicles travel while in revenue service.  
2. Averages are calculated from select peers by mode in the RTA's 2019 benchmarking.  
3. Urban bus and urban rail = CTA, Commuter rail = Metra, Suburban bus = Pace, Paratransit = Pace ADA.



# Peer states contribute a greater share of funding to major metro transit networks

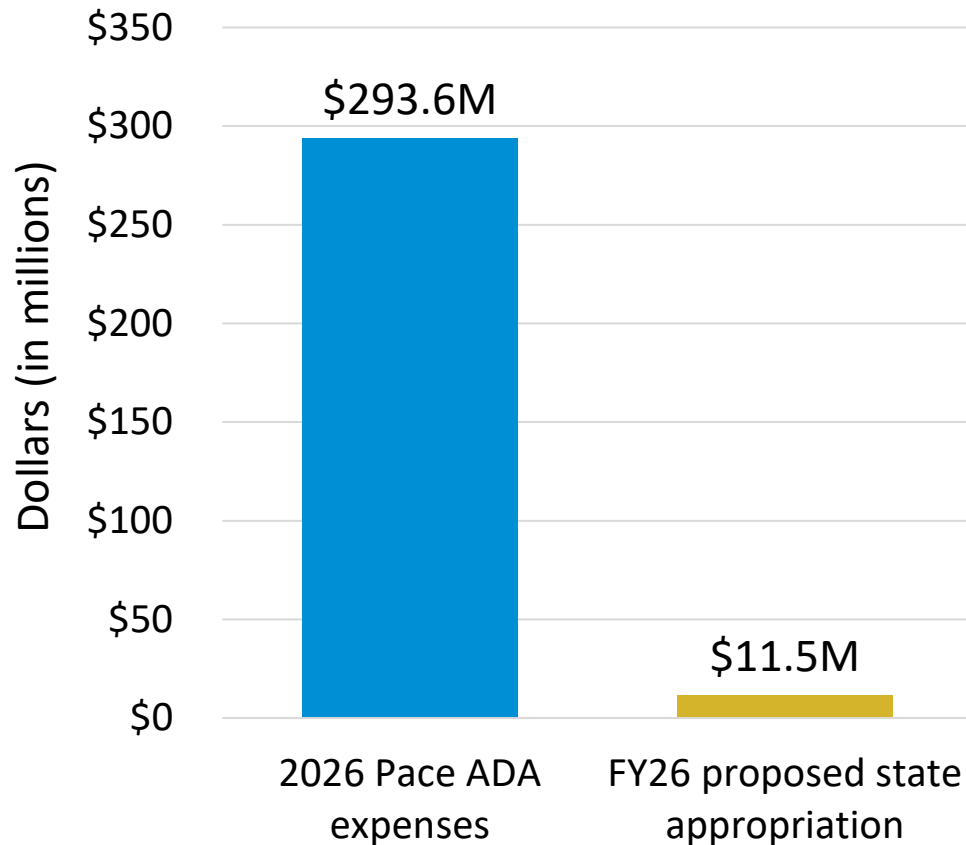
## Sources of operating revenues for peer regional transit systems, 2019



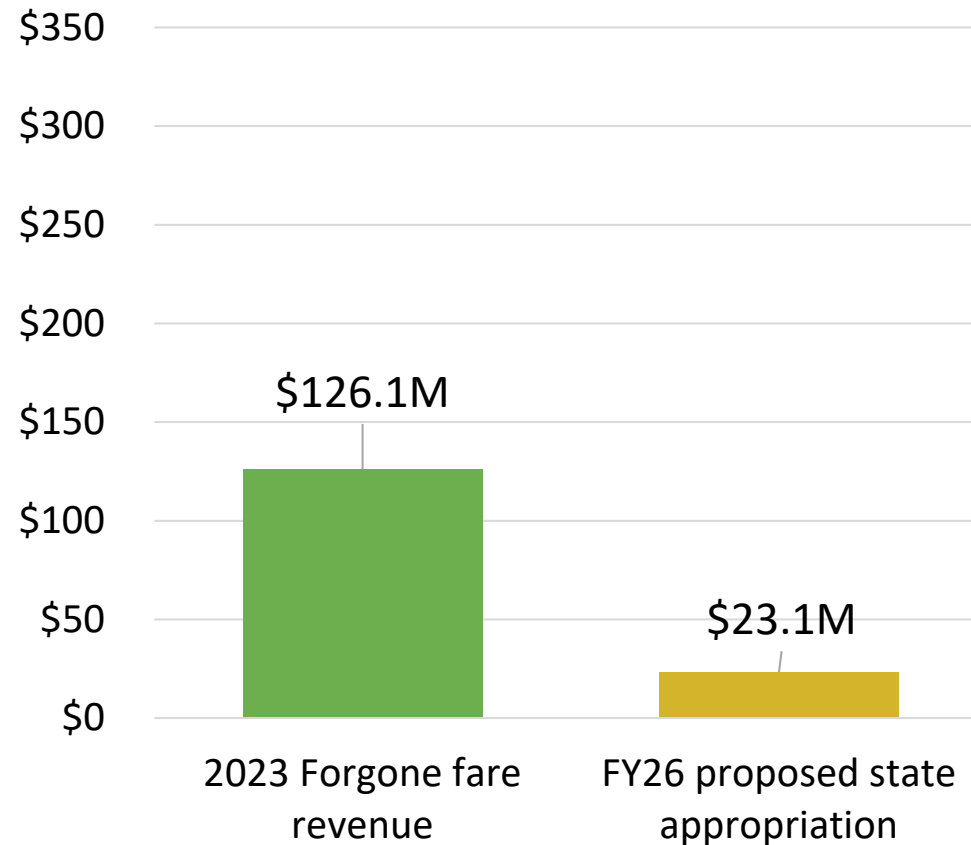


# Existing funding does not fully address mandated programs

## Pace ADA paratransit services



## Reduced fare and free ride programs





# Sales tax: Potential options



**Adjust existing  
sales tax rates**



**Modernize the  
sales tax by  
broadening base to  
new services**



**Hybrid scenario:  
Modernize *and*  
adjust sales tax  
rates**



# Joint report: Sales tax modernization



**Illinois should expand its sales tax beyond goods to include more consumer services.**

The current sales tax applies to most goods but only a few services.





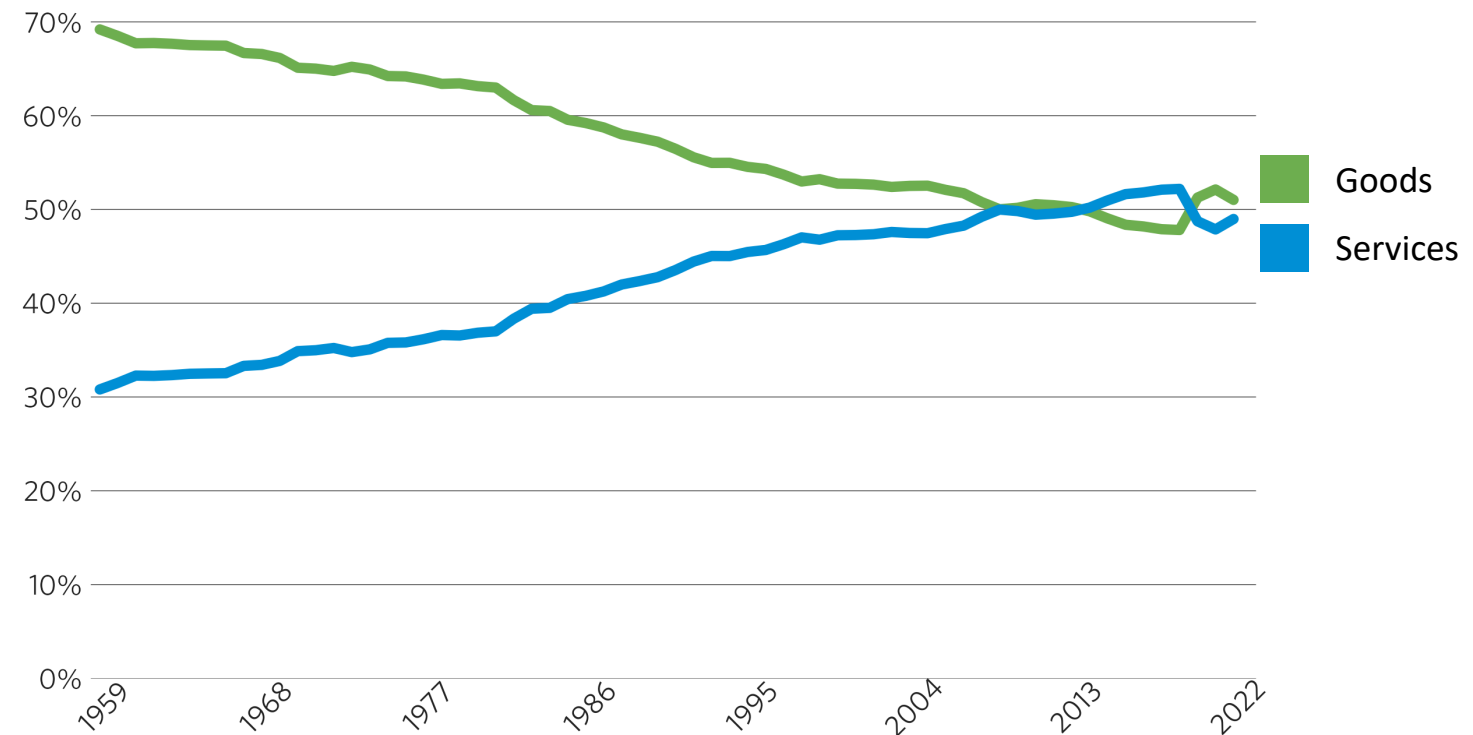
# Why modernize the sales tax?

**Consumers are shifting spending toward services.**

Illinois taxes fewer services than peer states.

A broader base is less regressive than the current sales tax structure.

**Historic share of personal consumption expenditures by major type, excluding housing and healthcare, 1959-2022**





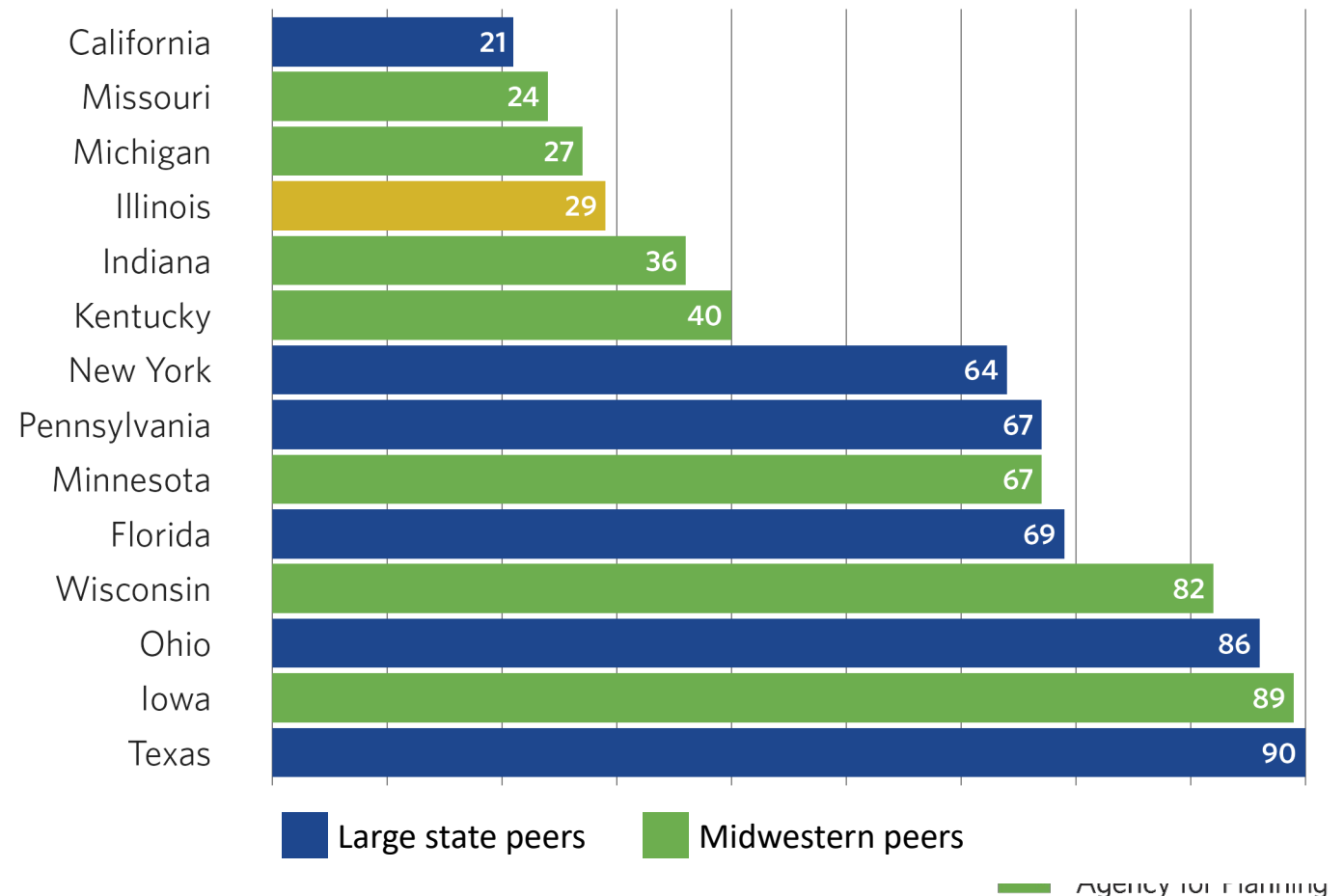
# Why modernize the sales tax?

Consumers are shifting spending toward services.

**Illinois taxes fewer services than peer states.**

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**Number of services taxed by state, 2017**





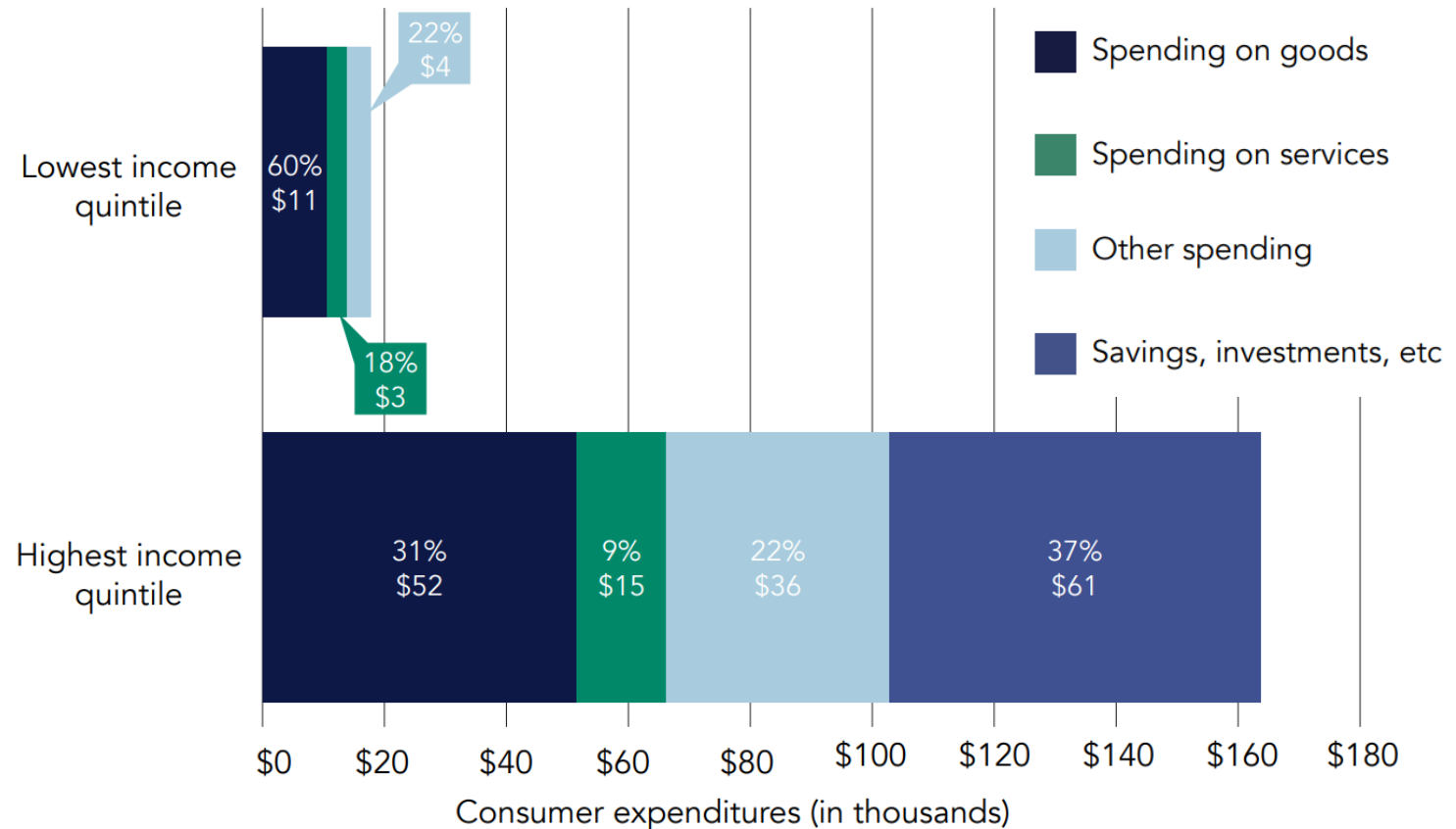
# Why modernize the sales tax?

Consumers are shifting spending toward services.

Illinois taxes fewer services than peer states.

**A broader base is less regressive than the current sales tax structure.**

Annual consumer expenditures (excluding housing and healthcare) and savings, by major type and income quintile, 2023





# Modernizing Illinois' sales tax benefits all levels of government

**Proposal: Tax more consumer services with current formula**

**29** services → **89** services (similar to Iowa)

**= \$2.7 billion annually**

\*Provides for reasonable exemptions: housing,  
healthcare, childcare, B2B



# Potential new revenue from statewide sales tax modernization

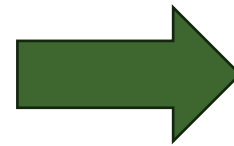
New revenues can be used to make investments that will **stabilize government finances and fund public services** – across all levels of government in Illinois.

Jurisdiction	Revenue estimates
State of Illinois	\$1.955B
Counties	\$50M
Municipalities	\$390M
RTA	\$315M



# Modernizing the sales tax enables greater state support for transit

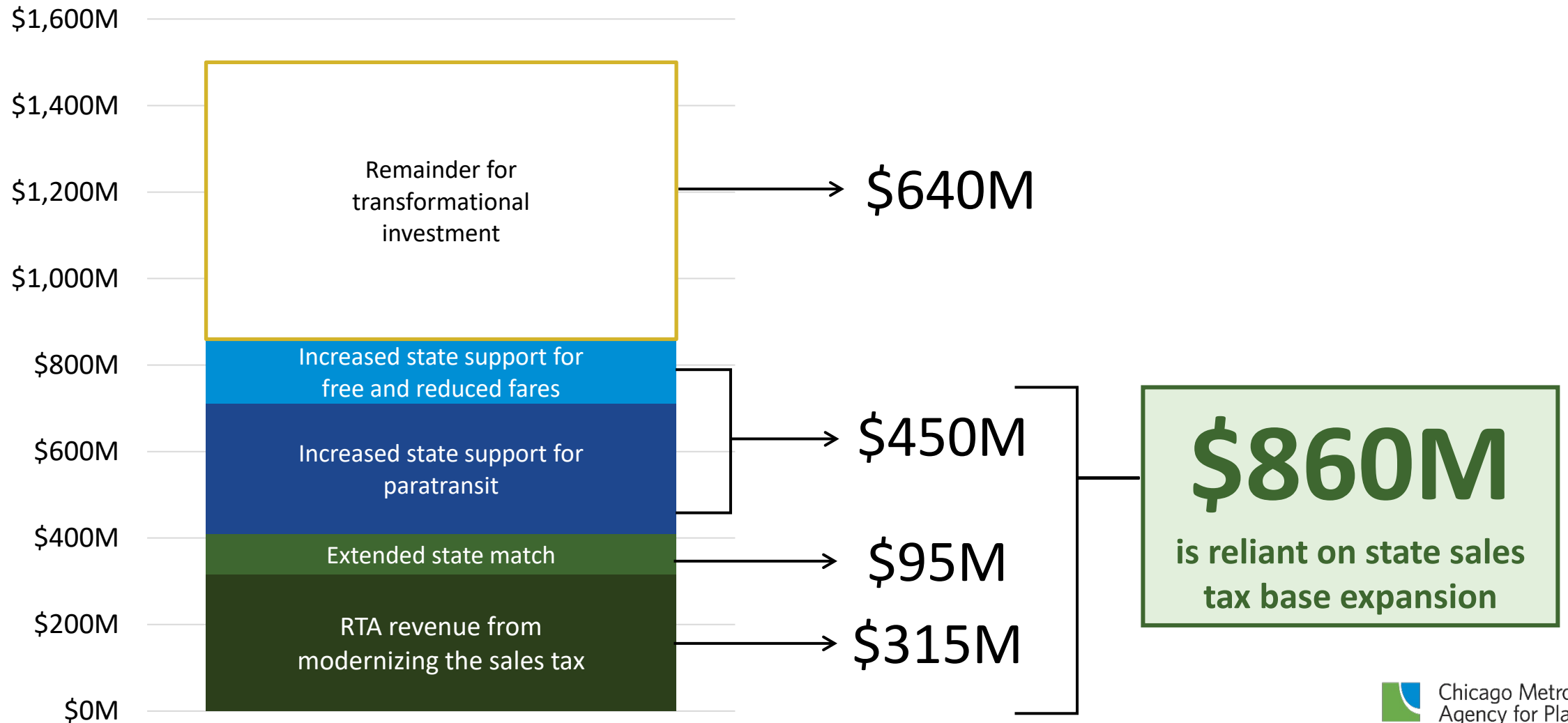
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Investment
A portion could support paratransit, free and reduced fares
Fund local government services
Increased transit service



# Sales tax modernization could be the foundation of a transformational investment





# Other revenue options

To address remaining funding needs, the state could:

Consider a near-term selection of diminishing or stopgap sources...

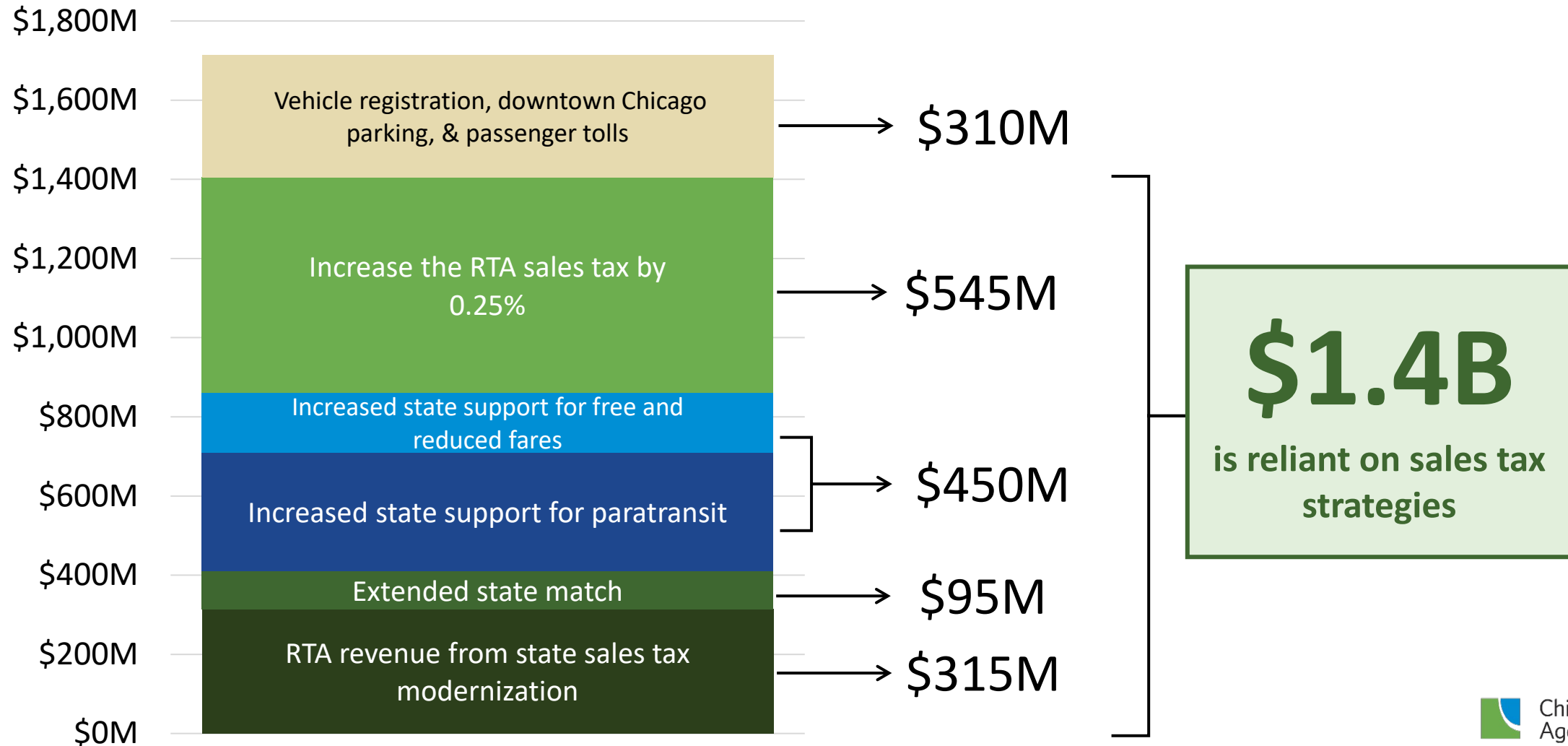
such as:	
RTA sales tax increase by 0.25% (including modernized tax base)	\$545M
5-10 cent surcharge on motor fuel tax in RTA region	\$135-270M
Vehicle registration surcharge in RTA region (+\$10/vehicle)	\$65M
Increase existing Tollway passenger vehicle tolls	\$180M
Increase parking taxes in downtown Chicago	\$65M

... while planning for stable long-term revenues that align with climate, equity, and mobility goals.

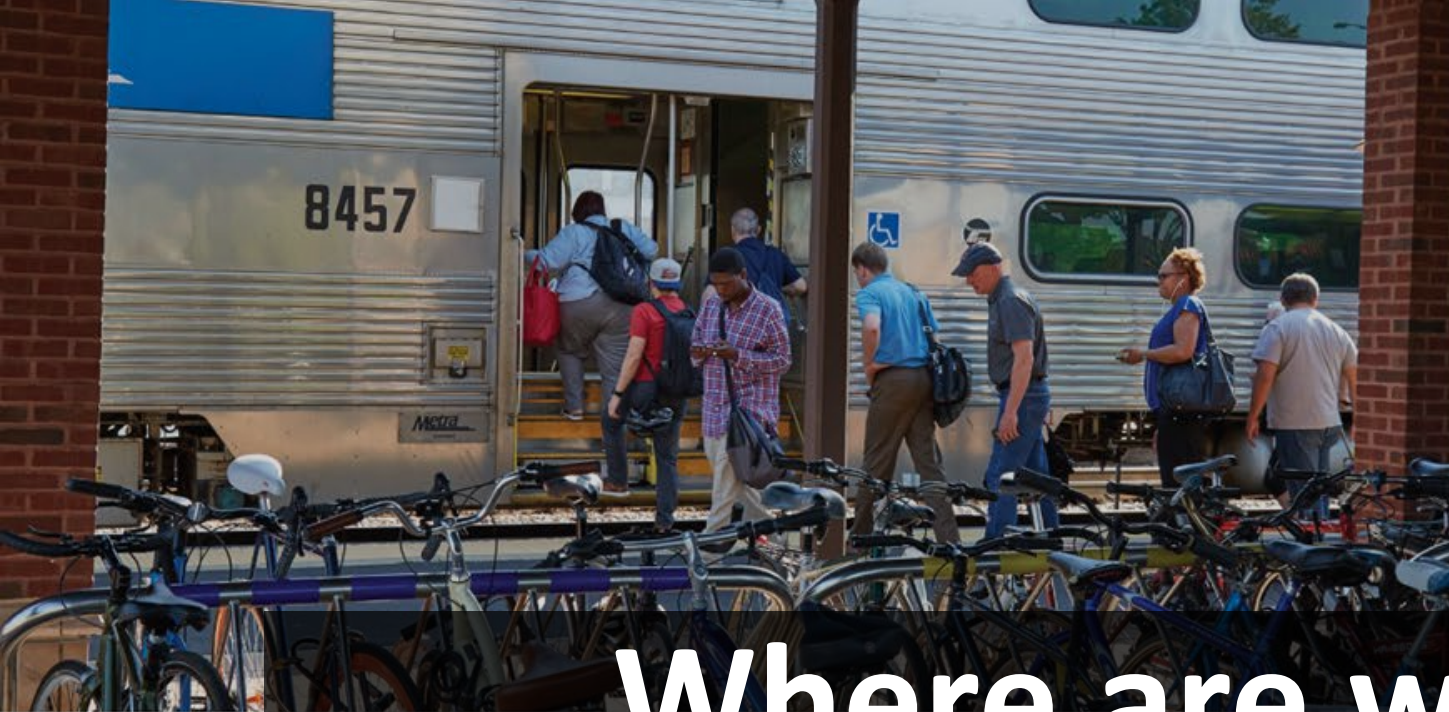
such as:	
Road usage charge	
Expand tolling to un-tolled expressways	
Introduce CBD cordon or congestion pricing	



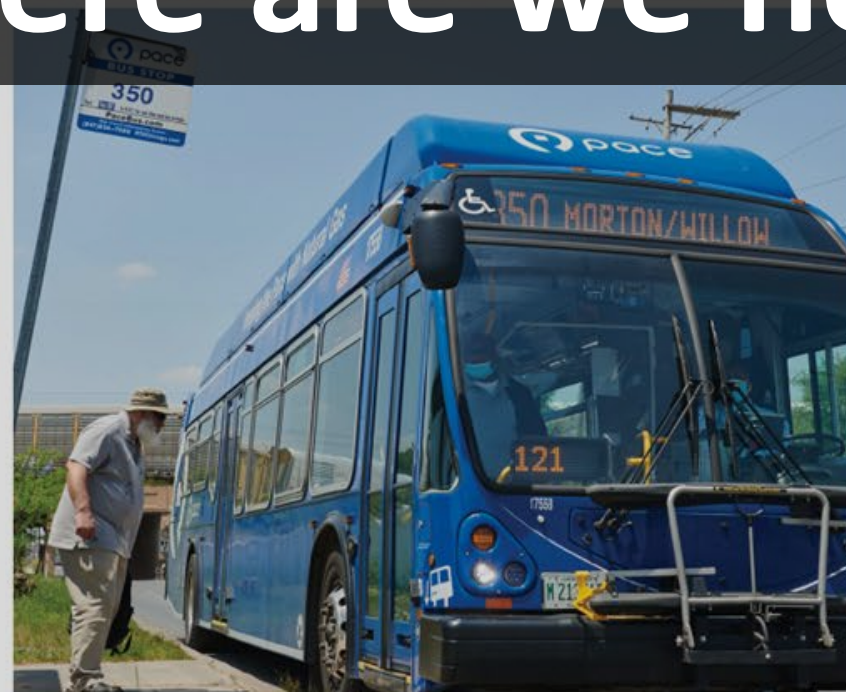
# Revenue package could depend substantially on sales tax-related actions





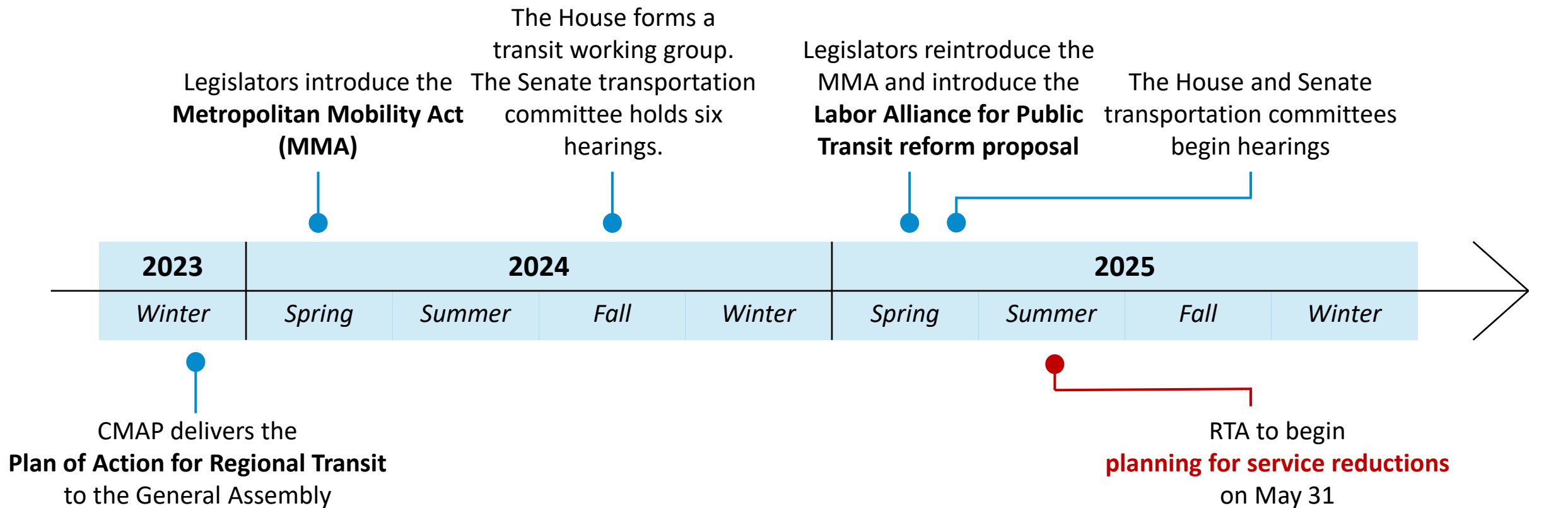


Where are we now?





# Timeline for legislative action







# Thank you!

Visit [cmap.is/PART](https://cmap.is/PART) or scan the QR code for more information and resources.

Any questions?

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