

Improving local transport attractiveness with employer- subsidized monthly-ticket

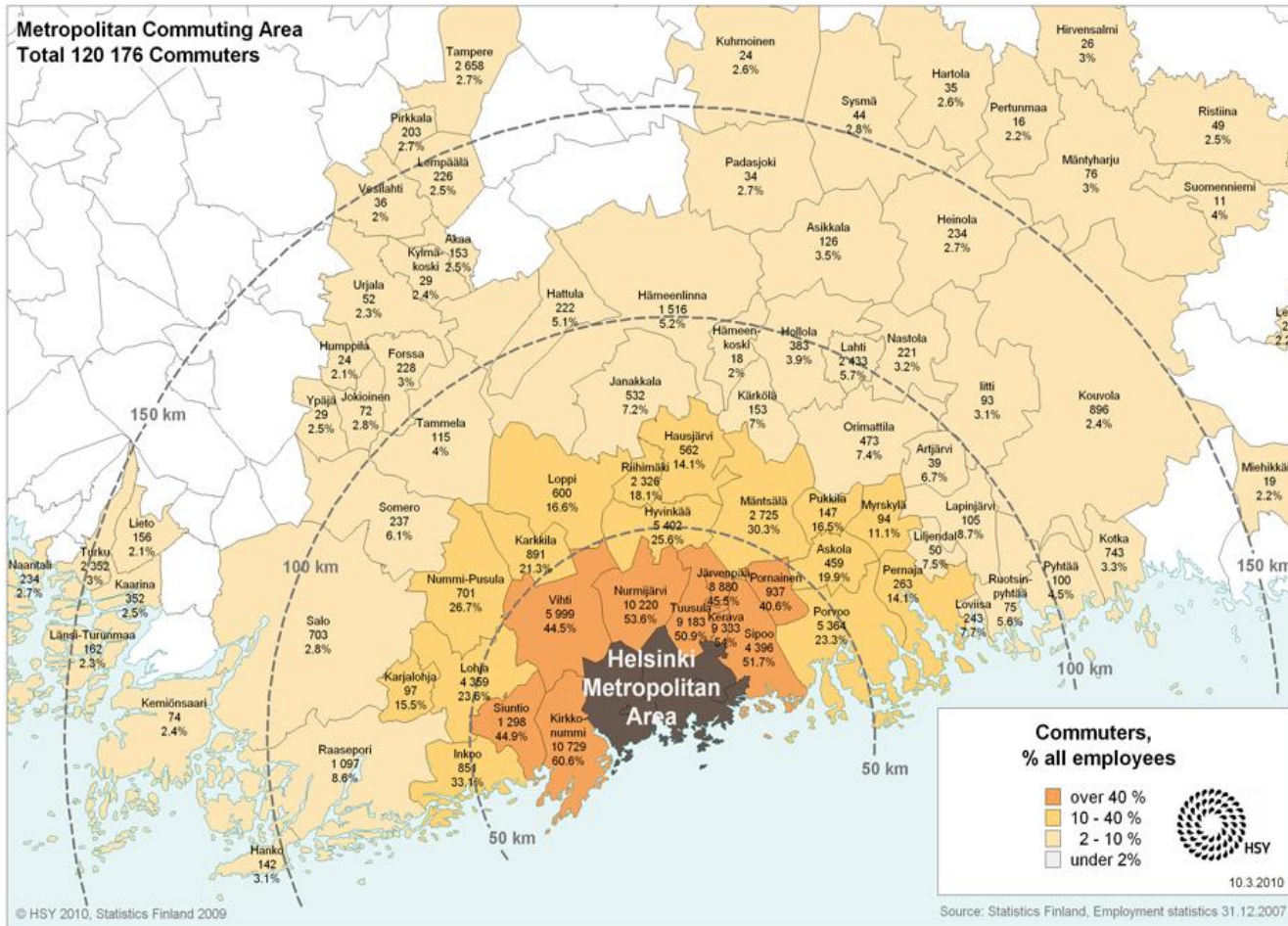
ECOTALE FINAL CONFERENCE

14th May, 2014

Poznan, Poland

Presenting: Márton FELDMANN

Adapted best practice

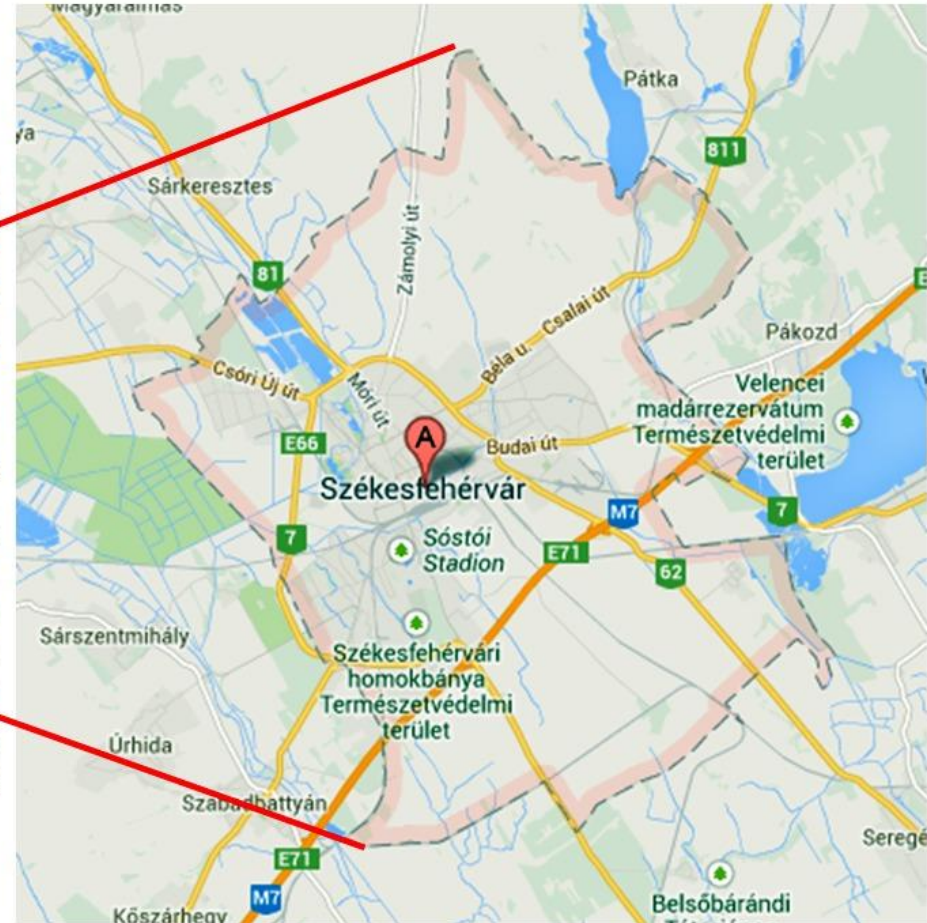
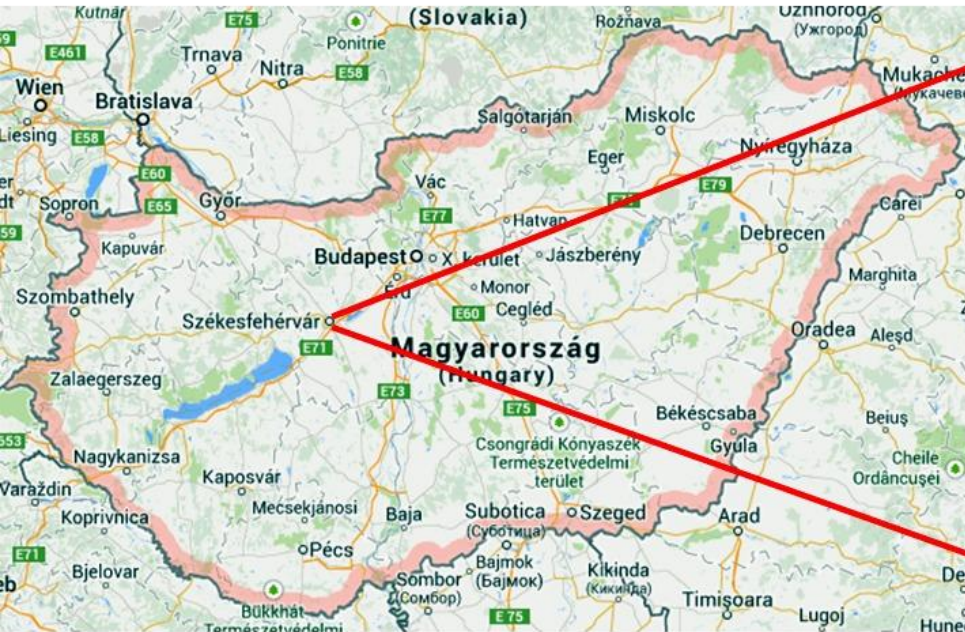


Helsinki Metropolitan Area

Employer tax-exempt fringe benefit for subsidized commuter ticket

The ECOTALE project is funded by the European Union and co-funded by Hungary in the framework of the Interreg IVC Programme.

Territory of implementation



City of Székesfehérvár

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Features of Székesfehérvár

- 100.570 inhabitants
- cca. 50.000 employees
- industrial center
 - car parts production
 - electronics
 - services



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Network connections (road)



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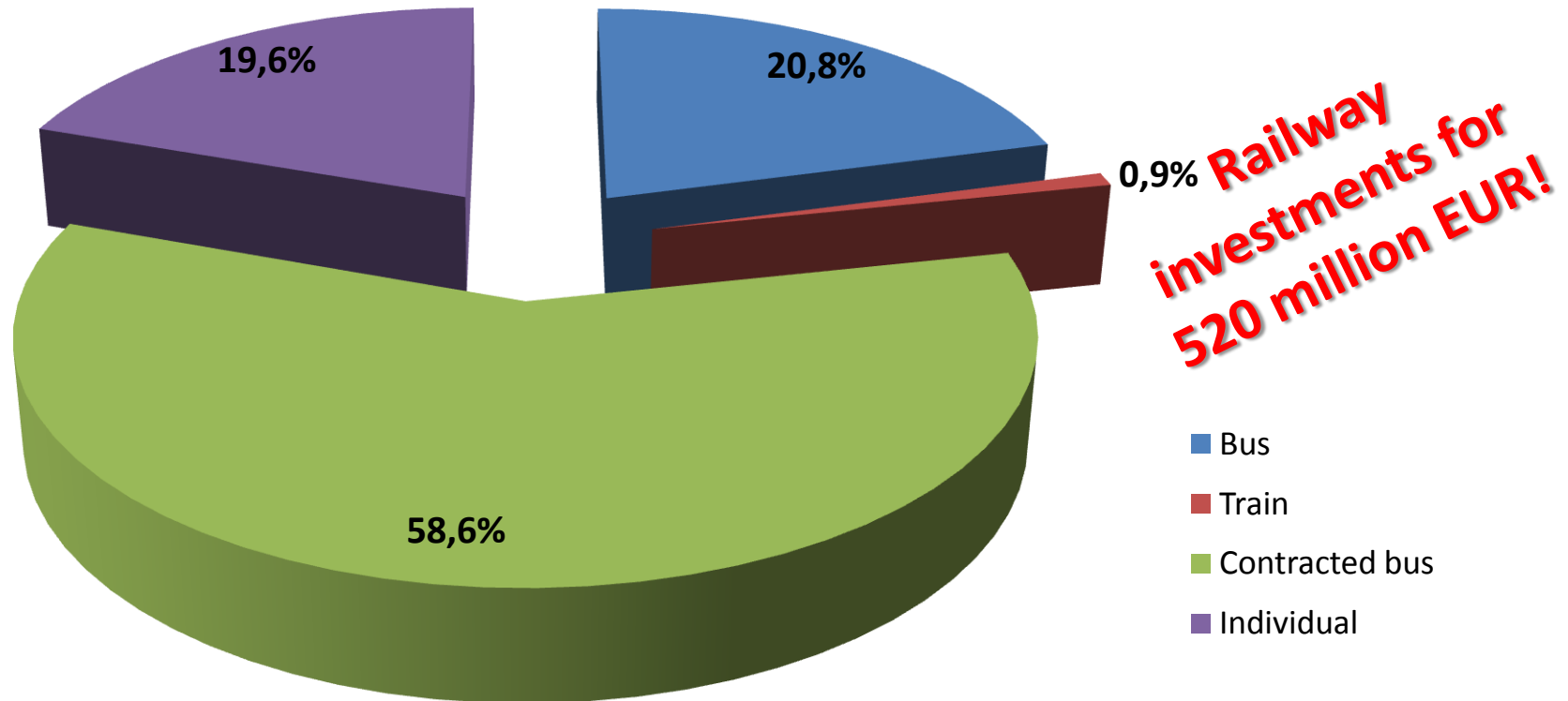
Network connections (railway)



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Transport modes of commuters in regional transport

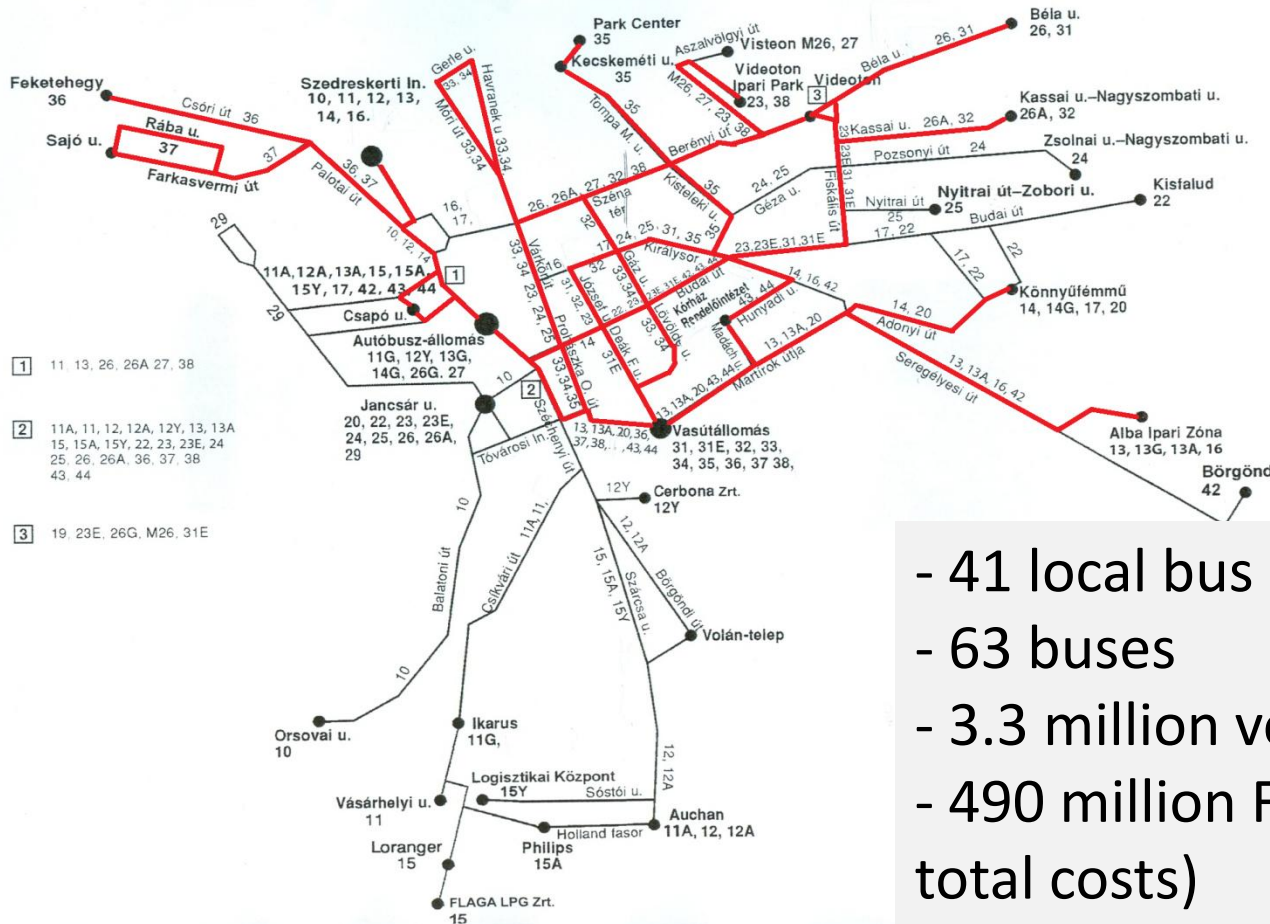
Regional commuter's travel mode at 30 employers (6300 employees)



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Local public transport

Székesfehérvár autóbusz-hálózata

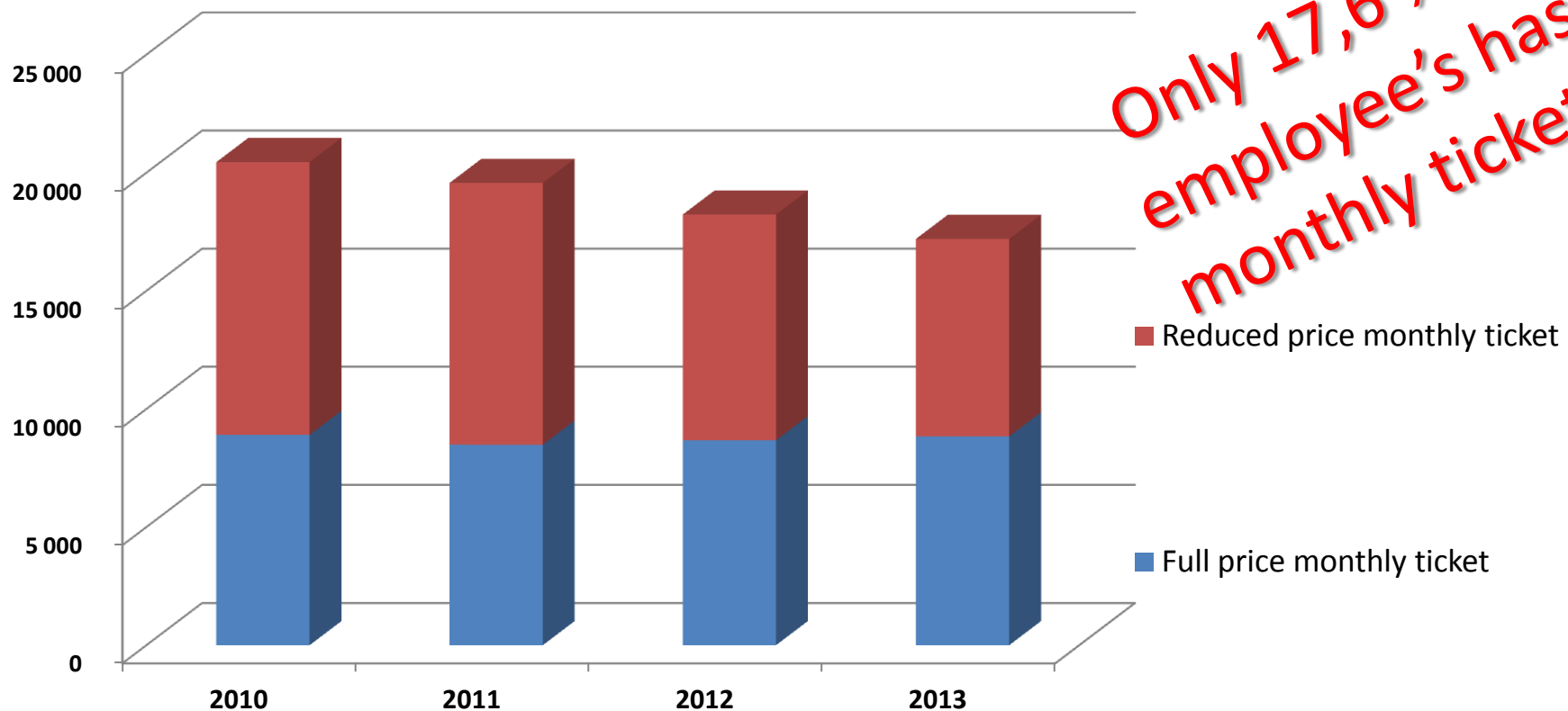


- 41 local bus lines
- 63 buses
- 3.3 million vehiclekm
- 490 million Ft losses (23 % of total costs)

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Local public transport

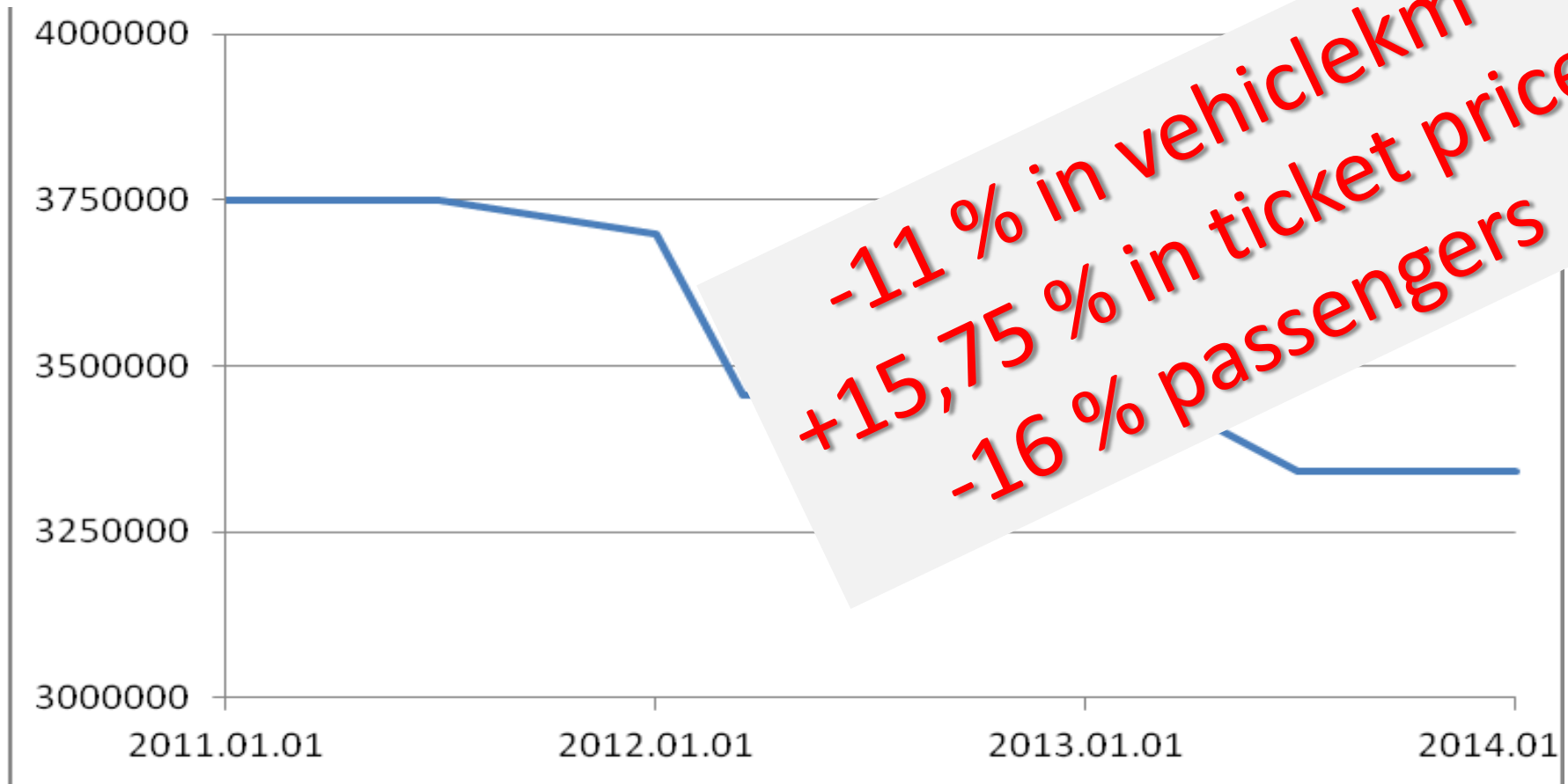
Average number of monthly tickets in Székesfehérvár local transport per month



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Local public transport

Performance of local transport in vehiclekm



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The negative spiral effect

cost reduction
less services

less passen

cost
less s



increasing the
revenues;
higher prices

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red by
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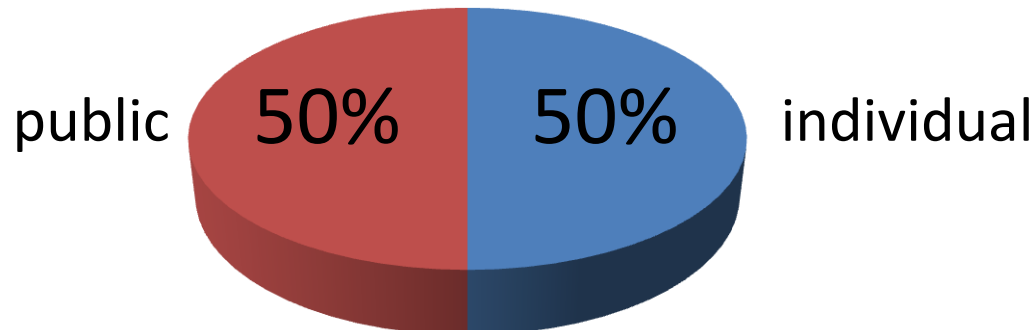
Problem to solve

Employer's obligation for subsidizing commuter tickets in regional and suburban public transport up to 86 %!

Government Regulation 39/2010. (II.26.)

For local transport there is no tax relief, inversly, based on employer bought local ticket price, 35,7 % tax to be paid.

Policy goals for local transport modal split



Solutions

Employer-subsidized commuter ticket

Compensation of employer's increasing costs

local tax relief

12 billion HUF local tax/year



+

integrate
transport
tickets
in

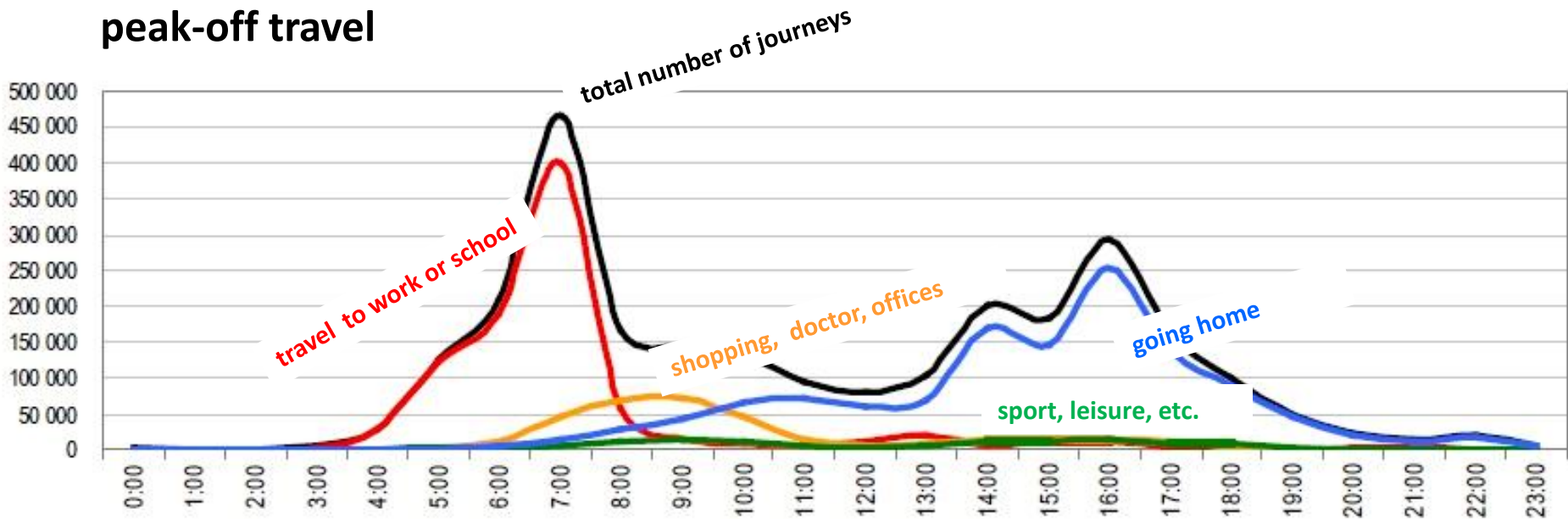


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Solutions

Compensation of employer's increasing costs

More tax relief for
peak-off travel



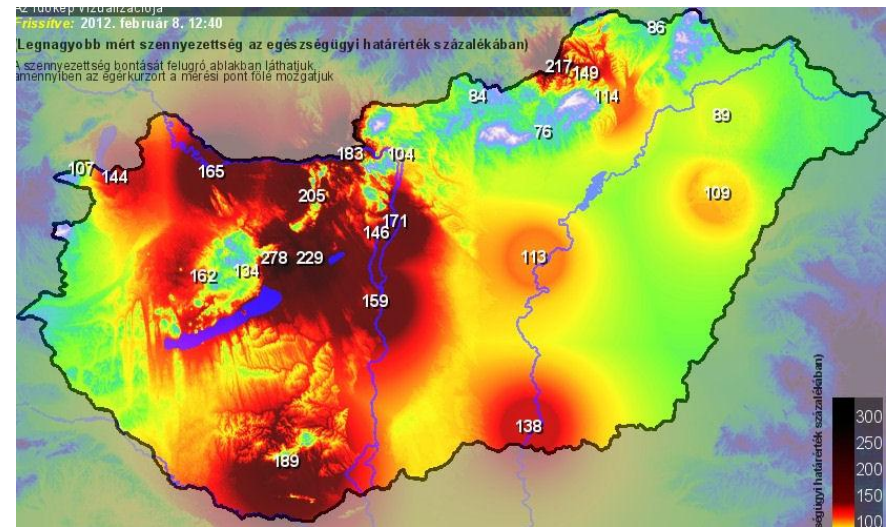
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External costs

Individual transport external costs in Székesfehérvár

Congestion and air pollution based on a commuter per month: 4.460 HUF

Monthly ticker price: 6.800 Ft



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Tax relief for local monthly ticket

1. version, 2 % passenger number growth per year, tax relief 10 %

Years	Investment	Operational costs growth, increased capacity costs[HUF]	New passengers with monthly ticket compared to 2014. [Persons]	Ticket revenue growth [HUF]	Tax relief [HUF]	Balance [HUF]
2014	0	0	0	0	0	
2015	4 500 000	0	0	0	0	-4 500 000
2016	0	0	176	14 361 600	1 436 160	12 925 440
2017	0	0	352	28 723 200	2 872 320	25 850 880
2018	0	0	528	43 084 800	4 308 480	38 776 320
2019	0	0	704	57 446 400	5 744 640	51 701 760
2020	0	60 000 000	880	71 808 000	7 180 800	4 627 200
2021	0	60 000 000	1 056	86 169 600	8 616 960	17 552 640
2022	0	60 000 000	1 232	100 531 200	10 053 120	30 478 080
2023	0	60 000 000	1 408	114 892 800	11 489 280	43 403 520
2024	0	60 000 000	1 584	129 254 400	12 925 440	56 328 960
2025	0	120 000 000	1 760	143 616 000	14 361 600	9 254 400
2026	0	120 000 000	1 936	157 977 600	15 797 760	22 179 840
2027	0	120 000 000	2 112	172 339 200	17 233 920	35 105 280
2028	0	120 000 000	2 288	186 700 800	18 670 080	48 030 720
2029	0	120 000 000	2 464	201 062 400	20 106 240	60 956 160
2030	0	180 000 000	2 640	215 424 000	21 542 400	13 881 600

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Tax relief for local monthly ticket

2. version, in the first years 4 % passenger growth, then 3 %, and at last 2 %
 Tax relief for present tickets 5 %, for new tickets 25 %

Years	Investment	Operational costs growth, increased capacity costs [HUF]	New passengers with monthly ticket compared to 2014. [Persons]	Ticket revenue growth [HUF]	Tax relief [HUF]	Balance [HUF]
2014	0	0	0	0	0	
2015	4 500 000	0	0	0	0	-4 500 000
2016	0	0	352	28 723 200	43 084 800	-14 361 600
2017	0	0	704	57 446 400	50 265 600	7 180 800
2018	0	60 000 000	968	78 988 800	55 651 200	-36 662 400
2019	0	60 000 000	1 232	100 531 200	61 036 800	-20 505 600
2020	0	60 000 000	1 496	122 073 600	66 422 400	-4 348 800
2021	0	120 000 000	1 760	143 616 000	71 808 000	-48 192 000
2022	0	120 000 000	1 936	157 977 600	75 398 400	-37 420 800
2023	0	120 000 000	2 112	172 339 200	78 988 800	-26 649 600
2024	0	120 000 000	2 288	186 700 800	82 579 200	-15 878 400
2025	0	120 000 000	2 464	201 062 400	86 169 600	-5 107 200
2026	0	180 000 000	2 640	215 424 000	89 760 000	-54 336 000
2027	0	180 000 000	2 816	229 785 600	93 350 400	-43 564 800
2028	0	180 000 000	2 992	244 147 200	96 940 800	-32 793 600
2029	0	180 000 000	3 168	258 508 800	100 531 200	-22 022 400
2030	0	180 000 000	3 344	272 870 400	104 121 600	-11 251 200

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Internalization of external costs

Years	Ticket revenue growth [HUF]	Balance [HUF]	External costs reduction [HUF]	Corrected balance [HUF]
2014	0			0
2015	0	-4 500 000		-4 500 000
2016	28 723 200	-14 361 600		2 872 320
2017	57 446 400	7 180 800		41 648 640
2018	78 988 800	-36 000 000		10 730 880
2019	100 531 200		63 187 200	39 813 120
2020	122 073 600		73 244 160	68 895 360
2021	143 516 000		86 169 600	37 977 600
2022		420 800	94 786 560	57 365 760
2023		-26 649 600	103 403 520	76 753 920
2024		-15 878 400	112 020 480	96 142 080
2025	52 400	-5 107 200	120 637 440	115 530 240
2026	215 424 000	-54 336 000	129 254 400	74 918 400
2027	229 785 600	-43 564 800	137 871 360	94 306 560
2028	244 147 200	-32 793 600	146 488 320	113 694 720
2029	258 508 800	-22 022 400	155 105 280	133 082 880
2030	272 870 400	-11 251 200	163 722 240	152 471 040

POSITIVE BALANCE

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Further steps

1. Year

- present the project-proposal for local government
- legal possibilities for a tax relief
- measure the local transport free capacities
- involve employers

2. Year

- build a registration system for employers bought ticket
- promoting local transport
- evaluation of first results

3. Year

- based on first results, define strategy goals and developments for local transport
- tax relief's revision



Thank you for your attention!



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