

BAY AREA FORWARD

Bay Area Transit Is Headed Backwards

The Bay Area needs accessible, affordable public transit, but our transit agencies are rapidly approaching a fiscal cliff. As early as next year, a \$915 million annual transit deficit is threatening to wreck our economy and the lives of Bay Area residents. That means massive service cuts, widespread congestion and delays, and layoffs of the highly-skilled workers who operate our public transit systems.

It's Time to Make Transit **Equitable, Safe, and Reliable for All of Us**

A regional transit ballot measure in 2026 will be an important piece of the funding solution. Senate Bill 63 (SB 63) would place a sales tax measure on the 2026 ballot to fund transit. But SB 63 is flawed and cannot in its current form solve the transit funding need. *Here's why:*

- 1** *It will not raise enough revenue. A sales tax would generate \$560 million for 4 counties. That's only two-thirds of what's needed.*
- 2** *Polling indicates soft support for another sales tax given that cost of living is the top concern of Bay Area voters. Already high prices, inflation, and tariffs are eroding support for all sales taxes.*

There Is a **Solution**

We need a politically viable measure that can maintain and improve public transit that **doesn't add to the burden** of working families. Instead of a sales tax in SB 63, a **gross receipts tax that exempts small businesses** can progressively raise a larger amount without overtaxing already-struggling voters.



What SB 63 Gets Right

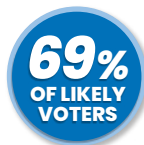
- ✓ **It's a multi-county approach** that's laser-focused on generating revenue to operate transit.
- ✓ **It authorizes a citizen's initiative**, allowing a coalition of labor unions and community groups to run a winning ground campaign by a simple majority vote.
- ✓ **It includes requirements for strict accountability**, including an independent audit and citizen oversight.
- ✓ **It allows San Mateo County and Santa Clara County to opt in**, which will raise additional revenue for CalTrain and local transit operators.

Where SB 63 Needs to Improve

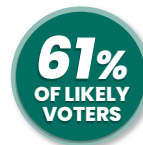
- *Substitute a "fair share" gross receipts tax on huge corporations and CEOs in place of the current sales tax.*
- *Ensure sufficient, sustainable funding for transit improvements.*
- *Revise vague efficiency requirements to focus on making transit more cost-effective.*

Voters Support a Gross Receipts Tax on Big Business

Bay Area Forward polling showed that voters were overwhelmingly in favor of big business paying their fair share to support public transit. A gross receipts tax is the way to fund transit operations – as opposed to a sales tax on working folks – and broke more than 60% support among likely 2026 voters.



SEE A NEED FOR
ADDITIONAL FUNDING



SUPPORT A GROSS
RECEIPTS TAX

Change SB 63's Sales Tax to a Gross Receipts Tax on Big Business

A gross receipts tax polls stronger than the current sales tax option, generates more resources for transit, and does not ask voters to increase their own cost of living. It is fair to ask businesses to contribute since they benefit most from transit, and since riders and working families already pay their share to use and operate transit, both at the fare box and the cash register.

We're strongly urging the State Legislature to change SB 63 from a sales tax to a "fair share" gross receipts tax on big businesses, shifting the burden away from ordinary working people and small businesses to the billionaire CEOs and big corporations raking in record profits.

**GET ON
BOARD!**

Join Us in the Fight for **Better Transit Now**
Learn more at **BayAreaForward.com**

