

In 1964, transit companies paid \$78 million in taxes, approximately 57 percent of which were Federal and 43 percent State, county, and local. It is estimated that about 25 percent of all taxes paid by transit companies are of the franchise type. Frequently amounting to from 2 to 5 percent of gross revenues regardless of the financial position of the company, these were levied by municipalities when transit companies had a monopoly of local transportation and were taxed to pay for the privilege of using the city streets. They are retained in many instances, although the private automobile now offers direct competition to mass transit.

2. USER CHARGES

Rising costs and declining patronage made it necessary for transit systems to raise fares. Tables XIII and XIV show that the median fare increased from 7 cents in 1944 to 20 cents in 1963 in cities of 25,000 population and over. In 1944, no fare was over 10 cents. By 1963, 35 percent of the transit systems charged 25 cents and 32 percent, 20 cents for a single zone of travel.

TABLE XIII.—Percentage distribution of cash fares in effect in U.S. cities having a population of 25,000 or more,¹ selected dates, 1944-63

Cash fare (cents) ²	Dec. 31, 1944	Sept. 1, 1950	Apr. 15, 1955	Sept. 15, 1960	Aug. 22, 1963
35.....	0	0	0	0	(³) 3.65
30.....	0	0	0	1.07	35.83
25.....	0	0	0	17.38	32.52
20.....	0	0	11.11	36.27	21.39
15.....	0	8.25	53.66	35.41	3.30
10.....	43.77	68.69	24.32	3.43	0
5.....	33.01	8.01	.21	0	3.11
Other.....	23.22	15.05	10.70	6.44	
Total.....	100.00	100.00	100.00	100.00	100.00

¹ Each city system is counted as a unit. If 2 or more independent systems operate in a city, each is counted separately.

² Fares are separate fares for 1 zone of travel.

³ Since August 1963, Akron and Youngstown, Ohio, have moved to 35-cent fares.

Source: American Transit Association.

TABLE XIV.—Median and modal cash fares on public transportation lines in U.S. cities of 25,000 and over, selected years, 1944-63

[In cents]

Year	Median fare	Most common fare
1944.....	7	10
1948.....	10	10
1950.....	10	10
1952.....	10	10
1954.....	15	15
1956.....	15	15
1958.....	15	15
1960.....	20	20
1961.....	20	20
1962.....	20	¹ 20-25
1963.....	20	25

¹ 34.22 percent of fares at each level.

Source: Data gathered by the American Transit Association.