

figure of \$27.4 billion by 1.50 percent, which represents Georgia's share of the national employment in the taxi and limousine service industry, based on data from the Quarterly Census of Employment and Wages for 2017. This results in an estimated sales tax base of \$411.1 million for Georgia in CY 2019 and represents the low estimate for ride-sharing revenues in Georgia for the year.

- The Contingent and Alternative Workforce Arrangements data from the Bureau of Labor Statistics indicate that Georgia's share of the U.S. population reporting earning income through an app or website that connected them directly with consumers, including but not limited to ride-sharing services, was approximately 1.9 percent in 2018. Other data suggest that larger population and car-ownership markets tend to use ride-sharing services instead of taxis relatively more often (i.e. ride-sharing market shares vs. taxis is greater), thus for the high estimate. Thus for high case estimates, Georgia is assumed to represent about 2.5 percent of the national ride-sharing market, resulting in estimated Georgia gross fares of \$685.2 million for CY 2019.
- According to market research firm eMarketer, the number of U.S. adult users of Uber grew by about 17.4 percent annually from 2016 to 2018, but growth is expected to decelerate over the subsequent years. The estimates assume, based on eMarketer's forecast, annual growth rates for Uber of 11 percent for 2019, trending down to 3.0 percent for years 2023-25. The same article also projected Uber and Lyft's U.S. market shares for the same period. By combining the users and market share projections for Uber, approximate Lyft growth rates were also estimated, trending from approximately 20 percent in 2019 to 5.0 percent in 2023-25. As these growth rates represent growth in users, 2 percent inflation per year has been added to allow for growth in average fares. Though data are insufficient to estimate this, it is also possible that the numbers of rides purchased by the average user may grow for the periods of the projections, resulting in faster growth of gross bookings and greater revenue than is shown in Table A4.
- For all estimates, the state and average local sales tax rate is applied to the forecasted sales tax base, converted into state fiscal years, and the estimated revenue is adjusted to reflect the timing of receipts based on the state fiscal calendar. The local rate assumed, again, is 3.31 percent.

Table A4. Projected Georgia Ride-Sharing Sales and Sales Tax Revenues

(\$ millions)	FY 2020*	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Taxable Sales						
High	\$174.7	\$765.6	\$815.8	\$861.0	\$908.8	\$959.2
Low	\$104.8	\$459.3	\$489.5	\$516.6	\$545.3	\$575.5
State Sales Tax Revenue						
High	\$7.0	\$30.6	\$32.6	\$34.4	\$36.4	\$38.4
Low	\$4.2	\$18.4	\$19.6	\$20.7	\$21.8	\$23.0
Local Sales Tax Revenue						
High	\$5.8	\$25.3	\$27.0	\$28.5	\$30.1	\$31.8
Low	\$3.5	\$15.2	\$16.2	\$17.1	\$18.0	\$19.1

* Reflects effective date of April 1, 2020

As for taxis and limos, section 2-2 of the bill establishes a 50 cents per-trip excise tax and a 25 cents per ride excise tax on services such as UberPOOL and Lyft Shared. The bill stipulates that the excise tax should be increased annually by the rate of inflation from the previous calendar year, using the CPI-U. The method for accounting for inflation is discussed further in the section preceding Table A5.

The high and low revenue gains to the state from this excise tax on ride-sharing services are based on the following:

- Using the estimates above, the high value for revenue for all ride-hailing services in Georgia is assumed to be \$614.7 million and the low estimate \$368.8 million in FY 2019.
- High and low estimates of the number of riders in Georgia in FY 2019 are 82.2 million and 49.3 million, respectively.
- Average revenue per ride in FY 2019 is assumed to be \$7.48.
- Finally, Uber estimated that 20 percent of all its rides were UberPOOL in 2016. It is likely that the use of UberPOOL and other shared ride services has grown since 2016, as revenue per ride continues to decline. Thus, a range is used for the estimates, with 20 percent used in the high revenue case estimate and 40 percent used in the low estimate.
- These 2019 ride values were then used to estimate FY 2021-2025 values, based on the growth in ride sharing users previously used to project revenues, before adjusting for inflation. Rides were estimated to grow by about 20 percent in 2019 with growth declining to five percent between 2023-2025.

Table A5. Projected Georgia Ride-Sharing Trips

<i>(millions)</i>	FY 2020*	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
High	22.9	98.7	103.2	106.8	110.6	114.6
Low	13.8	59.2	61.9	64.1	66.4	68.7

*Reflects effective date of April 1, 2020

Table A6 summarizes the revenues from the proposed excise tax on the estimated taxi, limousine, and ride-sharing trips reported in Tables A3 and A4.

- Because FY 2021 is the first full fiscal year that the excise tax will be in place, this analysis assumes that the excise tax will be increased by the rate of inflation, as stipulated by the bill, beginning in FY 2022 and in each subsequent fiscal year.
- The rate of inflation is assumed to be 2 percent, which is obtained by averaging the CPI-U “percent change over 12 months ago” measure for January of the last 5 years. This measure is released by the Bureau of Labor Statistics.

Table A6. Projected Excise Tax Revenue on For-Hire Ground Transportation

<i>(\$ millions)</i>	FY 2020*	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
High	\$10.5	\$45.0	\$47.9	\$50.6	\$53.4	\$56.4
Low	\$5.6	\$24.1	\$25.7	\$27.1	\$28.7	\$30.2

*Reflects effective date of April 1, 2020

