Taxi & Limousine Commission

TLC Releases New Report Showing Drivers Facing Rising Costs

Annual Taxi Driver Expenses Increased by 16% from 2022-2026;
Average Driver Net Earnings are Less Than $50,000 – Before Income Taxes

TLC to Evaluate and Advance Policies to Lower Costs for Drivers and Owners,
Examine Changes to Fare Structure and Taximeter Rates

NEW YORK – New York City Taxi and Limousine Commission (TLC) Chair and Commissioner Midori Valdivia today released *State of the New York City Taxi Industry*, a holistic report examining how the taxi industry has changed since TLC updated the taxi fare in December 2022. The report assesses the impact of that rate change, analyzes the growth of e-hail trips and its implications for driver earnings, and evaluates rising expenses for drivers. The report finds that taxi drivers' expenses rose about 16% between the end of 2022 and May 2026. After expenses and before income taxes, medallion owner-operators, taxi renters and high-volume for-hire vehicle (HVFHV) renters each earn less than $50,000 annually on average.

The report highlights key areas in which TLC can advance policy that will support drivers, improve passenger experiences, and champion the taxi industry: developing a taxi driver expense index; strengthening transparency, fairness, and accountability for e-hail trips; and simplifying and modernizing the fare structure.

"Thousands of cab drivers get up before dawn and work long hours to keep this city moving. They should be able to support their families on what they earn," said **Mayor Zohran Kwame Mamdani**. "This report shows how much harder it has become to make ends meet as a driver. We will act on it by working to lower costs and secure fairer pay for the people helping us make our appointments, see our loved ones and get home safe."

"Drivers have been squeezed by higher vehicle and insurance costs and by app companies that keep per-trip pay out of view," said **Deputy Mayor for Economic Justice Julie Su**. "This report gives us the data and facts to fix both. We will work with drivers, owners and the agency to cut costs and make pay transparent, so the people who drive our taxis can earn a better living."

"It's clear that rising expenses are making it harder for drivers to provide for their families," said **TLC Chair and Commissioner Valdivia**. "Our 180,000 professional drivers deserve to make a living behind the wheel, and the million New Yorkers and visitors who rely on our drivers to get where they're going every single day deserve a safe ride. There's more we can do to make our industry work better for drivers and passengers alike, and we're excited to take this report and turn it into progress."

Key Report Findings

The report documents rising costs across the industry, with some expenses increasing even faster than the 16% average:

- Yellow taxi owner-operators paid about 30% more to acquire a vehicle.
- Taxi renters paid 32% more in weekly lease costs.
- The cost of insurance meeting TLC's minimum coverage requirements rose 20%.
- The median driver logged 23% fewer miles in 2026 than four years earlier.

The Medallion Relief Program has helped offset some of these costs. The typical owner-operator now pays about 20% less per year toward medallion loan service.

The report also found that e-hail apps dispatch nearly one-quarter of taxi trips. Drivers told the agency they cannot see how much of each fare HVFHV companies keep.

Those take rates can mean different earnings for drivers on comparable trips. The report found that for a trip from John F. Kennedy International Airport to Times Square, a passenger pays a base fare of $70 in a taxi and $95.75 in an HVFHV. The taxi driver earns $70, while the HVFHV driver earns $67.81. The difference reflects the share retained by the HVFHV company.

The research effort also included a passenger survey — the first in more than a decade to capture taxi passengers' perspectives. The survey was promoted on TaxiTV, at the JFK taxi line, and through in-person outreach at high-traffic locations.

- 56% said they avoid hailing a yellow cab on the street because they are unsure how much the trip will cost.
- Passengers ranked convenience and ease of use second only to price when choosing between a taxi and an Uber or Lyft.
- More than half said flat-rate trips, like those between Manhattan and JFK Airport, should be available for more destinations.

What Comes Next

The report identifies several policy options TLC will evaluate in the coming years:

- **More predictable fare adjustments**: Review taxi fares on a regular schedule and consider smaller, routine increases tied to an index of drivers' expenses, similar to the annual adjustments already made to HVFHV driver pay.
- **Simpler taxi fares**: Streamline the taxi fare structure so drivers and passengers can more easily understand what a trip will cost.
- **Fairer e-hail pay**: Establish a pay standard for e-hail trips based on taximeter rates.
- **More flat-rate options**: Expand flat-rate and zone-based fares to additional destinations.
- **Greater fee transparency**: Require platforms to more clearly disclose the service fees they charge drivers or consider limits on those fees.
- **Relief from fines and fees**: Eliminate certain fines and fees for drivers and vehicle owners, including the $200 late drug test fine and penalties for missed vehicle inspections.

Today's announcement builds on TLC's recent efforts to support the City's more than 180,000 professional drivers. This week, the agency hosted its first-ever Driver Health Hub at John F. Kennedy International Airport, bringing a range of health services directly to drivers at their workplaces. Just last month, and as a result of driver feedback, TLC bolstered the Medallion Relief Program – a program that to date has forgiven more than $480 million in debt – to allow individual medallion owners to legally restructure their medallion ownership and save thousands more. The agency additionally partnered with the New York Legal Assistance Group to provide drivers with free legal assistance for that restructuring, putting thousands more in their pockets.

About NYC TLC

Created in 1971, NYC TLC is the agency responsible for licensing and regulating New York City's medallion (yellow) taxi cabs, for-hire vehicles (community-based liveries, black cars, and luxury limousines), commuter vans, and paratransit vehicles, along with the businesses that operate them. It is recognized as the largest and most active taxi and for-hire vehicle regulatory body in the United States.

Almost 180,000 TLC licensees complete approximately 1,000,000 trips each day. To operate for hire, drivers must first undergo a background check, have a safe driving record, and complete 24 hours of driver training. TLC-licensed vehicles are inspected for safety and emissions at TLC's Woodside Inspection Facility.

To find out more about the TLC, or to review its rules, regulations, and procedures, we encourage you to visit our official website at **www.nyc.gov/taxi** or contact 311/311 Online.

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Taxi & Limousine Commission

"Driver and passenger dignity, corporate accountability, a transportation system that works together."

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