St. Louis and Columbus; in both of these cities the increase was primarily attributable to income taxes, which increased by very large percentages.

Non-Tax Financial Sources

If income-tax cities on the average collect less money from each citizen, then they must either receive more from other governments, borrow more, or spend less. Chart 5 explores the first two of these alternatives, showing per capita figures for intergovernmental revenue in the income-tax cities compared with others of similar size. (Appendix Table C4 also gives data on gross debt and interest on debt.) While the income-tax cities as a whole appear to receive more funds from the Federal government, their revenues from state governments fall considerably below that given to other cities, with the result that total intergovernmental revenue represents a less important source of funds for income-tax cities than for other cities of similar size. Similar relative positions may be observed for the various cities in the earlier years shown in the appendix table.

Gross debt outstanding and expenditures for interest on debt both give some impression of how heavily a city might rely on borrowing to support its expenditures. In the case of both these measures, income-tax cities showed no consistent relationship relative to nonincome tax cities, suggesting that borrowing patterns do not differ between the two groups.

Expenditure Patterns

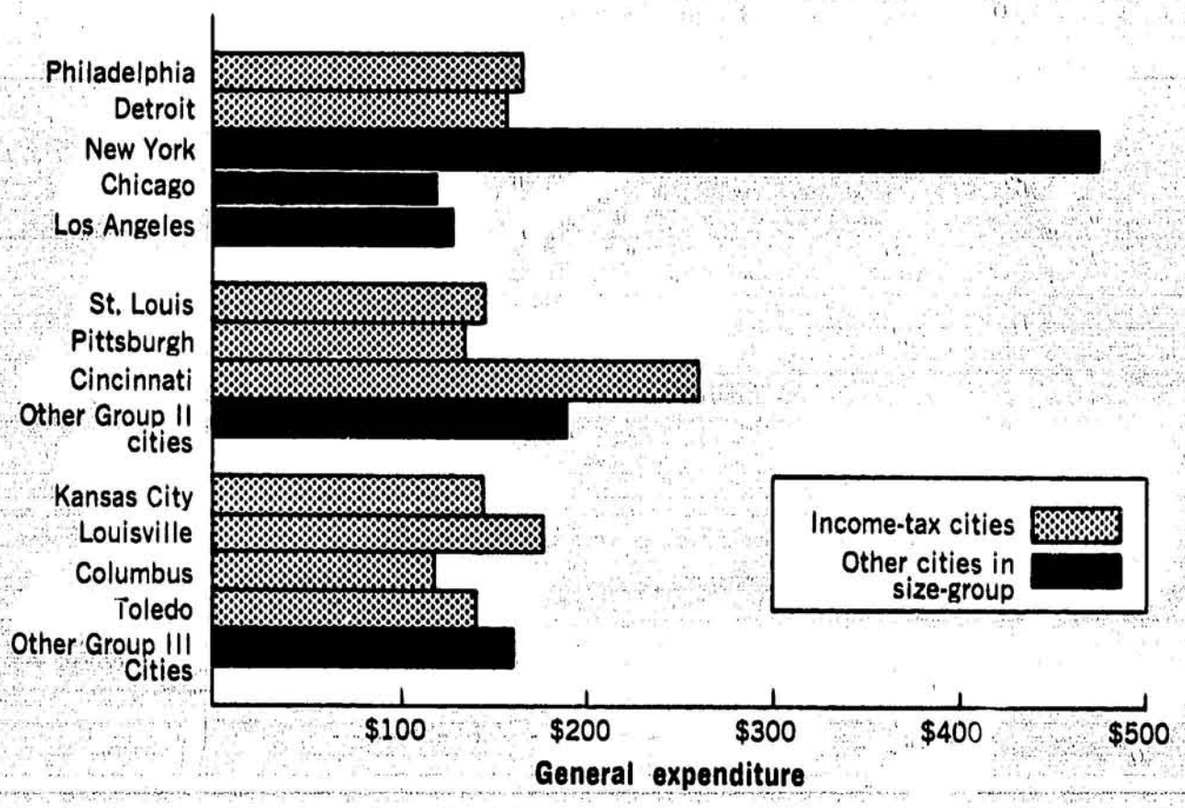
Since virtually none of the income-tax cities receive more intergovernmental revenue, and only some of them utilize more borrowing than nonincome-tax cities, the inevitable consequence follows that many of them must spend less (Figure 6). Does this reduced spending take the form of a more or less equal reduction in expenditures for all functions, or are particular functions singled out for economizing?

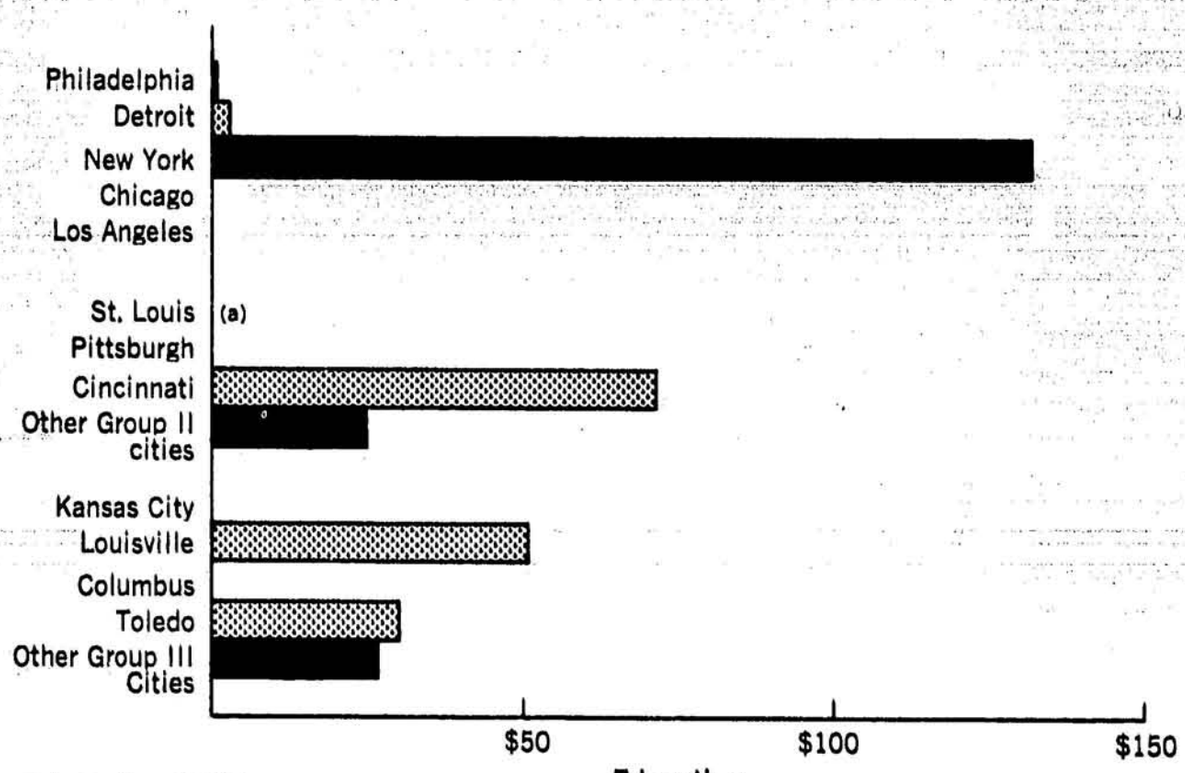
Charts 6 and 7 show that per capita outlays differ most on education. In Groups II and III, per capita general expenditures were higher than the group average for two income-tax cities; in both these, per capita outlays for education were two to three times more than the average for other cities in the group. The remaining income-tax cities either made no expenditures on education or the per capita sum amounted to a trivial fraction of the group average.

It should be emphasized that a lower outlay for education need not imply a lower quality of education for the children of the city concerned. Methods of financing education differ so widely from one area to the next that the differences may reflect no more than the existence of special taxing districts for schools or direct funds from the state which would not appear in the city's intergovernmental revenue transfers. Moreover, some cities set up similar taxing districts to finance functions other than education. Such differences to some degree explain why one city can appear to manage with lower per capita taxes than another comparable city.

Differences in education outlays, however, do not provide the full explanation. As Appendix Table C5 shows, when education is deducted from general expenditures, many of the income-tax cities still lie lower than the group average. Two more items of public expenditure, highways and public welfare, seem to show generally lower per capita expenditures in the cities imposing the income tax. On

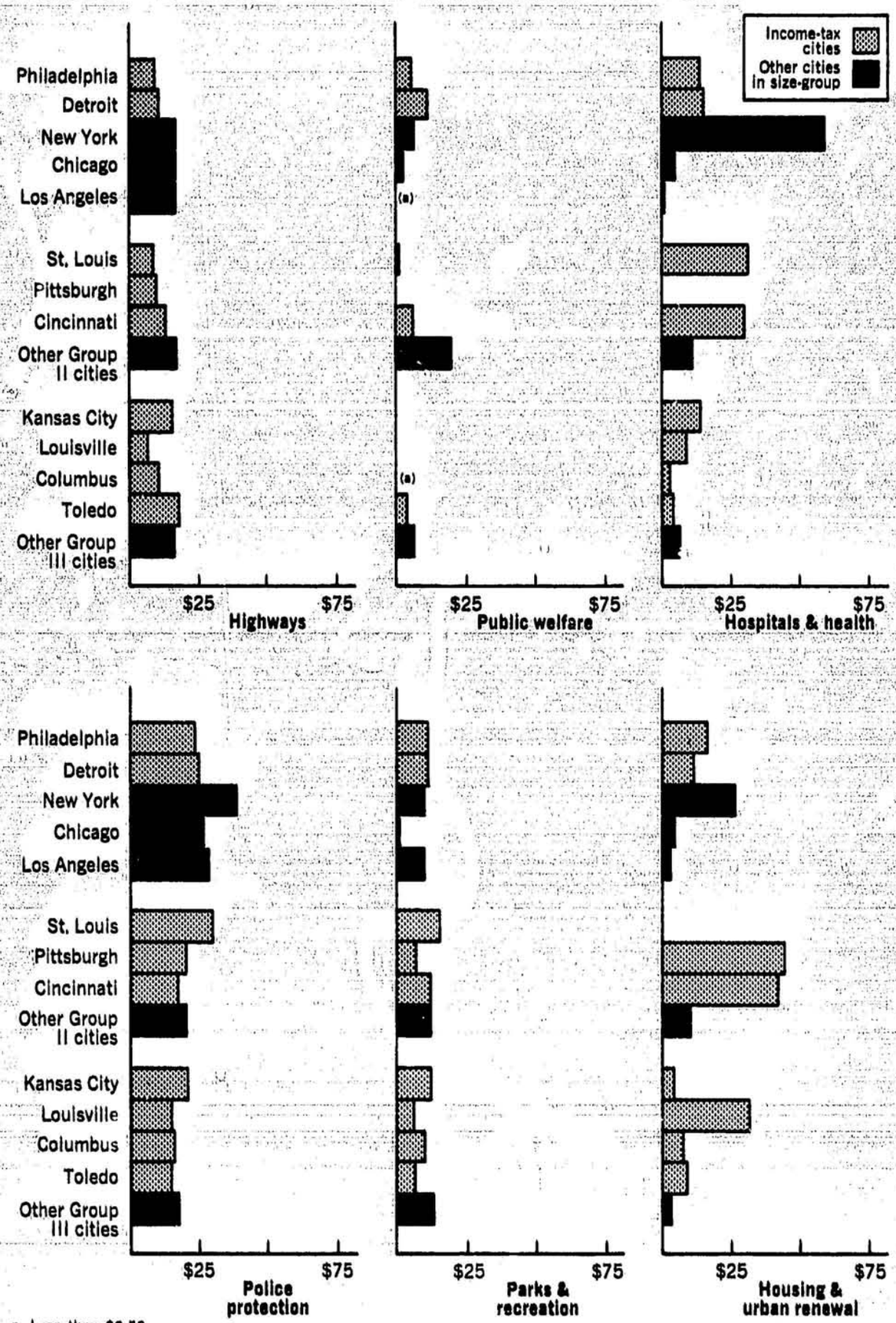
Chart 6
Per Capita Expenditures for General Expenditure and Education, Income-Tax Cities and Other Cities, Fiscal 1966





a. Less than $0.50
Source: Appendix Table C5.

Chart 7
Per Capita Expenditures for Selected Functions, Income-Tax Cities and Other Cities, Fiscal 1966



a. Less than $0.50.
Source: Appendix Table C5.

the other hand, income-tax cities generally spend compartively large sums for housing and urban renewal, and somewhat more for hospitals and health, sewerage and sanitation, parks and recreation.

Summary of Government Finance In Income-Tax Cities

Do the taxing, borrowing, and spending records of the major income-tax cities indicate any overall differences of government finance in these cities? Table 8, which summarizes the 1966 position of each income-tax city[4] relative to the group average for a number of taxing, spending, and borrowing items, helps to answer the question.

Several consistencies may be observed among the seven large income-tax cities. In all of them, the level of per capita expenditure on public welfare is lower than the average for the group. Except for Cincinnati, per capita intergovernmental revenue is lower than the group average. Per capita total tax collections are lower, except in St. Louis and Kansas City, where they are approximately the same as the group average (i.e., differ by no more than 10 percent). Kansas City and Toledo spend about the same as the group average for highways, but all the other income tax cities spend less. Except for the two Missouri cities, expenditures for housing and urban renewal are higher in the income-tax cities. On the other hand, income-tax cities did not appear to differ markedly from the group average in the areas of gross debt outstanding, general expenditure, education, hospitals and health, sewerage and sanitation, or parks and recreation.

The tentative conclusion emerging from the data in Table 8 is that cities levying income taxes may differ from other cities in such matters as per capita tax collections, intergovernmental revenue, expenditures for highways, public welfare, and housing and urban renewal.

Effect of Tax Structure on Revenue

There is a considerable range in the level of per capita income taxes in the cities shown in Figure 4. These differences stem from many factors. To date the major influences on the per capita yield of a city's income tax narrow down to (1) the rate chosen, (2) the treatment of nonresidents and corporations, (3) whether or not reciprocal tax credits are provided, and, to some extent, (4) the average income generated within the city boundaries.

The effect of rate on revenue requires no explanation when a flat rate is employed. When the city imposes a graduated rate schedule, however, the yield depends on a great deal more than the bottom an dtop rates. The width of the brackets and the steepness of the rate progression (both factors with respect to the prevailing income distribution found in the community) exert just as important an effect on revenue as the rates applying to the highest and lowest brackets.

For instance, New York City currently imposes on its residents a graduated schedule ranging from 0.4 percent up to 2.0 percent, with nine brackets and rates. Such a tax on the basis of the latest available income distributions for New York (1963) would yield revenue of approximately $94 million. If the rate on each of the three lower brackets were increased by 0.2 percentage points and the upper brackets (i.e., taxable income of $10,000 or more) left unchanged, rev-

4. Philadelphia and Detroit not included in table since there are only three other cities in Group I, all of which are considerably larger (from 500,000 to 6,000,000 larger) than the income-tax cities.

Table 8

Relative Per Capita Levels of Selected Items of Government Finance, Income-Tax Cities and Other Cities, by City Size

1966

City, by size[a]	Total tax collections	Intergovernmental revenue	Gross debt outstanding	General expenditure	General expenditure minus education	Education	Highways	Public welfare	Hospitals and health	Police protection	Sewerage and sanitation	Parks and recreation	Housing and urban renewal
Group II (500, 000 to 1 million inhabitants)													
St. Louis, Mo.	S	L	L	L	L	L	L	L	H	H	L	H	L
Pittsburgh, Pa.	L	L	L	L	L	L	L	L	L	S	L	L	H
Cincinnati, Ohio	L	S	H	H	H	H	L	L	H	L	S	S	H
Group III (300,000 to 500,000 inhabitants)													
Kansas City, Mo.	S	L	H	S	S	L	S	L	H	H	H	S	S
Louisville, Ky.	L	L	H	H	S	H	L	L	H	L	S	L	H
Columbus, Ohio	L	L	S	L	S	L	L	L	L	L	H	L	H
Toledo, Ohio	L	L	L	L	L	S	S	L	L	L	H	L	H

a. Group I excluded because of extreme size contrasts among cities in group.
Code: H — higher than average for nonincome tax cities in group;
L — lower;
S — no more than 10 percent different.
Source: Based on Appendix Tables C3, C4, C5.

enue would increase by about $27 million or around 29 percent. In contrast, if the rates on the bottom brackets were left untouched, but the rate on the five higher brackets, beginning with taxable income of $10,000, were *doubled*, revenue would increase by only $10 million or 11 percent. The differences in yield under the two changes illustrate a general principle of progressive taxation: with the typical income distribution, a slight increase in the rates on the lower brackets generally will increase revenue by larger amounts than a fairly substantial increase applying only to the upper brackets.[5]

Dr. Walker, in a list of standards for local nonproperty taxes, observes that more and more communities are considering the importance of the applicability of a tax to commuters and other nonresidents who regularly come into the city.[6] For most cities, certainly, the inclusion of nonresident population, the rate selected, and whether or not reciprocity is permitted, make a marked difference in the yield of the income tax. Unfortunately, it is difficult to find figures on which one might make a precise estimate of just how much additional revenue can be obtained by taxing nonresidents. Tax Foundation contacted nearly 40 large cities, but of these only Detroit and Cincinnati kept records in a manner that enabled them to supply data on the proportion of revenue coming from nonresidents. In Detroit, revenue derived from nonresidents has ranged from 29 to 18 percent of total collections.[7] In Cincinnati, nonresident collections have accounted for about 34 to 38 percent.

A related influence on revenue stems from a decision which must be made when nearby jurisdictions also impose an income tax. When taxpayers may take credit for city income taxes paid to other municipalities, total yield inevitably will come to a smaller amount. It is possible to obtain a rough estimate of this amount by developing a set of simultaneous equations based on empirical per capita data (from the large cities, and adjusted for rate differences) from several cities which differ in their reciprocity provisions. The result obtained from using this method indicates that in the large cities total revenue drops by about 17 percent if a city allows reciprocal tax credits.

Depending to some extent on the economic structure of the city, the inclusion of corporations can increase yield by significant but not massive amounts. Half a dozen cities supplied separate collection data for the corporation income tax, which ranged between 12 and 18 percent of total income tax collections in most years available. In the larger cities, such percentages produce quite impressive absolute amounts. For instance, in fiscal 1966 Detroit collected $7.0 million in corporation income taxes. This sum was about the same as the amount of corporation income tax collected by the state of Montana, and considerably more than that collected by Alaska, North Dakota, South Dakota, or Vermont.

5. This result follows because of the way the tax liability is computed under progressive rates. For instance, under Rate A, the liability on taxable income of $10,000 would be computed as follows: 0.4 percent times the first $1,000, equalling $4; plus 0.6 percent of the next $2,000, equalling $12; plus 0.8 percent of the next $3,000, equalling $24; plus 1.0 percent of the last $4,000, equalling $40, for a total of $80 on the entire $10,000. Under this system, an increase in the rate on the first bracket touches all taxpayers, an increase in the rate on the second, a very large percentage, but an increase in the rate on the higher bracket affects only a small proportion of taxpayers, thus accounting for the substantially larger revenue increase from the apparently smaller rate increase under Rate B.

6. Mabel Walker, "What Is a Fair Tax Source for Local Governments?" *Municipal Finance*, August, 1959, p. 70.

7. Since the nonresident rate dropped from the initial 1.0 percent (same as the resident rate) to half that amount, the percent attributable to nonresidents also dropped.

IV.

Summary and Conclusion

Today more than 170 municipalities, 20 of them large cities with a combined population in excess of 18 million, impose an income tax. Clearly, the city income tax is no longer a mere novelty, but an increasingly important revenue instrument.

To date only cities in the eastern half of the United States have adopted the income tax. A number of other cities, including some in the West, have considered the tax but not imposed it. Although the tax appears under a variety of names, in the majority of cases it takes the same basic form: a low flat rate tax confined to earnings derived from salaries, wages, and similar sources unmodified by exemptions or deductions, and (except in Pennsylvania) business net profits. In Michigan, the base takes on a somewhat more complex form, adding income from dividends, interest, and capital gains to the tax base, and allowing personal exemptions. The New York City tax is completely unique, more nearly resembling the Federal income tax, to which it is linked, than an income tax imposed by any other city. With the exception of a few small towns, all municipalities which impose an income tax withhold taxes from the income earned by nonresidents while working within the city limits. Generally, however, the nonresident pays a lower effective rate because of provision for tax credits, and, in some cities, a lower statutory rate.

While city income tax collections nationwide are not large compared with, say, the property tax, they nonetheless provide significant revenue in those cities which use them; 1966 yield ranged from 20 to 71 percent in the major cities.

In general, per capita property taxes are lower in the major cities which impose income taxes than in those which do not. Moreover, in all but one case per capita property taxes and per capita total taxes have risen in the last decade by markedly smaller percentages in the income tax cities. This fact suggests that, at least in the cities for which detailed financial data are available, the income tax has not been so much a supplemental revenue source as a substitute for existing taxes, taking some of the pressure off the property tax in particular.

The big city problems which fill the daily newspapers underline the pressure for revenue to which city governments are subject.[1] To some degree, cities can turn to the state or Federal government for help with their revenue problems — but generally at the price of sacrificed autonomy for the city and increased burdens for the level providing help. Increasingly, when metropolitan officials tackle the question of where to find the funds needed to maintain their city's viability, they have begun to ask themselves how workable an income tax might prove to be. As an indication of the widespread interest the city income tax attracts, the Ohio Municipal League reports that "We are continually getting letters from cities all over the country as to how the tax . . . can be installed, and so forth, and with all of these questions coming in, we feel that the system is

1. Provided economic and political conditions continue in the directions which have prevailed during the first half of the 1960's, cities may find revenue pressures easing within the coming decade. Detailed statistical analysis in a recent Tax Foundation study *(Fiscal Outlook for State and Local Governments to 1975)* reveals that local (and state) general revenues can be expected to rise somewhat more rapidly than general spending, without any increase in overall effective tax rates.

going to mushroom since it is the only legal method by which a core city . . . [can tax] . . . nonresidents. . . ."[2]

In weighing the feasibility of introducing an income tax, a city faces a host of questions. It must attempt to evaluate the alternative merits of income versus non-income taxes within the framework of its particular economic, political, and social environment. Questions as to the most appropriate form of income tax to meet a city's need complicate the already difficult evaluation process. Such problems as the relative burden of alternative tax policies on individuals in various income groups or on varying types of business firms deserve careful attention, not only in terms of fairness but from the point of view of the long- range effects on the city's economy which might result from taxpayer adjustments. For example, an income tax can shift the burden of taxes, as against a property tax, from low-profit businesses which own extensive amounts of property to profitable concerns with relatively small property holdings. Local sales taxes have still other effects. For the most part, issues involved in weighing the merits of alternative types of taxes lie outside the scope of this study.[3]

However, there are specific questions concerning an income tax which cities considering the tax will need to explore, such as its revenue potential, the associated administrative problems, its effect on the city's competitive position with adjoining jurisdictions, and the relationship of the city levy to any possible state income tax. Further, decisions to introduce an income tax require the resolution of issues involved in the definition of the taxable income base; the level of exemptions, deductions, and credits, if any; and the rate structure.

Today about three dozen cities with population in excess of 300,000 and more than 100 with population in excess of 100,000 do not levy an income tax. Constitutional and other restrictions, however, presently would impede the introduction of city income taxes in a number of states. The constitutions of Florida and Tennessee prohibit city income taxes; state statutes act to the same effect in Alaska, Kansas, North Carolina, South Dakota, Virginia, and Wisconsin. A Congressional subcommittee on state taxation of interstate commerce offered the opinion in 1964 that, aside from Arizona, California, Minnesota, and Nebraska, where cities probably already possess the power to enact income taxes, even in states with no explicit prohibition, the legislature would have to introduce enabling legislation before cities could legally impose income taxes.[4]

The large-city population subject to the tax has more than doubled over the last decade, increasing from 14 to 38 percent of the large-city total. During the same period, the city sales tax also gained acceptance in additional jurisdictions, and is more extensively utilized today than the local income tax. Despite the increase in the role of non-property sources in municipal tax systems, levies on property still produce 70 percent of the taxes collected by city governments. If cities continue to impose an income tax at the same rate as characterized the first six years of the 1960's, by 1975 well over half the large-city population will be subject to an income tax. But which cities, if any, will join the income tax city group remains a matter of speculation.

2. Special Subcommittee on State Taxation of Interstate Commerce, *op. cit.*, p. 477.
3. Such questions, as dealt with in over 250 special tax studies in the states, are discussed at some length in a forthcoming Tax Foundation publication, *State Tax Studies, 1959-1967*, now in press.
4. U. S. Congress, House, Committee on the Judiciary, Special Subcommittee on State Taxation of Interstate Commerce, *Local Corporate Income Taxes*, June 15, 1964, p. 447.

Appendix A

Cities with Tax on Residents, by Size (25,000 and Over)

	Present rate	Original rate	Date of introduction
Cities with 500,000 or more inhabitants			
Maryland			
Baltimore	.2-1.0	1.0	1966
Michigan			
Detroit	1.0	1.0	1962
Missouri			
St. Louis	1.0	.25	1948
New York			
New York	.4 - 2.0	.4 - 2.0	1966
Ohio			
Cleveland	.5	.5	1967
Cincinnati	1.0	1.0	1954
Pennsylvania			
Pittsburgh	1.0	1.0	1954
Philadelphia	2.0	1.5	1939
Cities with 100,000 to 499,000 inhabitants			
Kentucky			
Louisville	1.25	1.0	1948
Missouri			
Kansas City	.5	.5	1964
Michigan			
Flint	1.0	1.0	1965
Grand Rapids	1.0	1.0	1967
Ohio			
Akron	1.0	1.0	1962
Columbus	1.0	.5	1947
Canton	1.0	.6	1954
Dayton	1.0	.5	1949
Toledo	1.5	1.0	1946
Youngstown	1.0	.3	1948
Pennsylvania			
Allentown	1.0	1.0	1958
Erie	1.0	1.0	1948
Scranton	.5	1.0	1948
Cities with 50,000 to 99,000 inhabitants			
Kentucky			
Covington	1.5	1.0	1956
Lexington	1.5	1.0	1952
Michigan			
Saginaw	1.0	1.0	1965
Ohio			
Euclid	.5	.5	1967
Hamilton	1.0	.8	1960
Lima	1.0	.75	1959
Parma City	.5	.5	1967
Springfield	1.0	1.0	1948
Warren	1.0	.5	1952
Pennsylvania			
Altoona	1.0	1.0	1948
Bethlehem	1.0	1.0	1957
Chester	1.0	1.0	1966
Harrisburg	1.0	1.0	1966
Johnstown	1.0	1.0	1948
Lancaster	.5	.5	1959
Wilkes-Barre	1.0	1.0	1966
York	1.0	1.0	1965
Alabama			
Gadsden	2.0	1.0	1956
Cities with 25,000 to 50,000 inhabitants			
Kentucky			
Bowling Green	1.0	1.0	1966
Newport	2.0	n.a.	1952
Owensboro	1.0	1.0	1960
Paducah	1.0	.5	1947
Michigan			
Battle Creek	1.0	1.0	1967
Hamtramck	1.0	1.0	1962
Highland Park	1.0	1.0	1966
Ohio			
Alliance	.6	.6	1958
Barberton	1.0	.5	1954
Cuyahoga Falls	1.0	1.0	1966
East Cleveland	.5	.5	1967
Findlay	1.0	1.0	1966
Garfield Heights	.5	.5	1967
Lancaster	.5	.5	1963
Mansfield	1.0	.7	1960
Maple Heights	.5	.5	1967
Marion	.7	.6	1959
Massillon	1.0	.6	1960
Middletown	1.0	.25	1958
Newark	.5	1.0	1959
Norwood	1.0	1.0	1954
Portsmouth	.5	.5	1965
Shaker Heights	.5	.5	1967
South Euclid	.5	.5	1967
Steubenville	.6	.6	1962
Zanesville	1.0	1.0	1959
Pennsylvania			
Aliquippa Boro	.5	.5	1948
Easton	1.0	1.0	1959
McKeesport	1.0	1.0	1963
New Castle	1.0	1.0	1948
Sharon	1.0	1.0	1948
West Mifflin Boro	1.0	1.0	1961
Wilkinsburg	1.0	1.0	1956
Williamsport	.5	.125	1953

Appendix B

Spearman Rank Correlation Coefficient Test of Relationship Between City Size and Age of Tax, and Income Taxes As Percent Of Total Taxes

H_o: There is no relationship between the ratio $\frac{I}{T}$ (income taxes as a percent of total taxes and YS (city size rank times years tax has been in force).

H_1: $\frac{I}{T}$ varies with respect to YS, such that the smaller the city and the longer the years, the larger the ratio $\frac{I}{T}$.

Table B1

Ranks for Income Taxes as Percent of Total Taxes and City Size Rank Times Years Tax Has Been in Force

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
City	Years tax in force, 1965	City size rank	(2) x (3)	Rank (4)	Rank, income tax as percent of total taxes	d_i (5)-(6)	d_i^2
Columbus	18	7	126	3	1	+2	4
Toledo	19	9	171	1	2	−1	1
Louisville	17	8	136	2	3	−1	1
Philadelphia	26	1	26	7	4	+3	9
Cincinnati	11	5	55	4	5	−1	1
St. Louis	17	3	51	5	6	−1	1
Detroit	3	2	6	8.5	7	+1.5	2.25
Kansas City	1	6	6	8.5	8	+0.5	0.25
Pittsburgh	11	4	44	6	9	−3	9
						$\Sigma d_i^2 =$	28.5

$$r_s = 1 - \frac{6 \sum_{i=1}^{N} d_i^2}{N^3 - N}$$

$$r_s = 1 - \frac{6(28.5)}{9^3 - 9} = 0.763$$

Value of r_s under H_o of $p = 0.05$ is 0.600.
Observed $r_s = 0.763 > 0.600$.
Reject H_o; Accept H_1.

Appendix C

Table C1

1967 Rate of City Income Tax on Residents, by City Size
Cities with 10,000 or More Residents

City size (in thousands)	Rate of tax				Percent imposing rate[b]					
	0.5	0.6—0.9	1.0	Over 1.0	0.5	0.6—0.9	1.0	Over 1.0	Less than 1.0	1.0 or more
500 and over	1		4	3	12	0	50	38	12	88
100 — 499	2		9	2	15	0	69	15	15	85
50 — 99	3		12	3	17	0	67	17	17	83
25 — 49	10	3	20	1	29	9	59	3	38	62
10 — 24	27[a]	16	55		28	16	56	0	44	56
All cities	43[a]	19	100	9	25	11	59	5	36	64

a. One city, with rate of 0.25, included.
b. Detail may not add to total because of rounding.
Source: Compiled from Commerce Clearing House data and information obtained directly from city officials.

Table C2

Income, Property, and Sales Tax Collections as a Percent of Total Tax Collections in Major Cities Levying Income Tax
Selected Years, Fiscal 1956-1966
(Percentage)

City, by number of inhabitants	1966			1963			1956		
	Income	Property	General sales	Income	Property	General sales	Income	Property	General sales
Group I (1 million or more inhabitants)									
Philadelphia, Pa.	42	46	0	40	46	0	36	45	0
Detroit, Mich.	28	69	0	22	76	0	0	96	0
All other cities									
New York, N. Y.	0	61	26	0	63	31	0	66	28
Chicago, Ill.	0	63	9	0	66	8	0	56	11
Los Angeles, Calif.	0	56	25	0	58	26	0	57	28
Group II (500,000 to 1 million inhabitants)									
St. Louis, Mo.	34	40	0	32	42	0	17	53	0
Pittsburgh, Pa.	20	61	0	20	67	0	13	72	7
Cincinnati, Ohio	39	53	0	38	54	0	37	54	0
All other cities	0	86	4	0	86	4	0	88	3
Group III (300,000[a] to 500,000 inhabitants)									
Kansas City, Mo.	24	40	0	0	54	0	0	51	0
Louisville, Ky.	52	41	0	48	44	0	46	44	0
Columbus, Ohio	71	23	0	68	25	0	54	35	0
Toledo, Ohio	57	37	0	54	40	0	69	23	0
All other cities	0	98	9	25	11	59	5	36	64

a. In 1956, 250,000.
Source: Computations based on Bureau of Census, City Government Finances.

Table C3

Per Capita Tax Collections, Income-Tax Cities and Other Cities, by City Size

Selected Years, Fiscal 1956-1966

City, by size	Income tax			Property tax			General sales tax			All taxes		
	1966	1963	1956	1966	1963	1956	1966	1963	1956	1966	1963	1956
Group I (1 million or more inhabitants)												
Philadelphia, Pa.	$45	$42	$27	$ 50	$ 48	$ 33	$ 0	$ 0	$ 0	$109	$103	$ 73
Detroit, Mich	27	20	0	66	70	63	0	0	0	95	91	66
All other cities												
New York, N. Y.	0	0	0	180	147	105	77	72	44	296	234	161
Chicago, Ill.	0	0	0	54	56	33	8	7	6	85	84	59
Los Angeles, Calif.	0	0	0	48	43	24	22	19	12	86	73	42
Group II (500,000 to 1 million inhabitants)												
St. Louis, Mo.	36	30	12	43	40	37	0	0	0	108	96	70
Pittsburgh, Pa.	17	15	8	51	51	44	0	0	5	83	77	62
Cincinnati, Ohio	34	32	25	47	45	36	0	0	0	88	83	67
All other cities	0	0	0	89	76	66	5	4	2	104	88	74
Group III (300,000[b] to 500,000 inhabitants)												
Kansas City, Mo.	21	(a)	(a)	36	(a)	(a)	0	(a)	(a)	89	(a)	(a)
Louisville, Ky.	36	29	23	28	26	23	0	0	0	69	60	51
Columbus, Ohio	33	30	14	11	11	9	0	0	0	47	44	25
Toledo, Ohio	34	29	27	22	21	9	0	0	0	59	53	39
All other cities	0	0	0	62	55	38	8	4	2	82	71	49

a. Income tax not levied; collections appear in "all other cities" category for this year.
b. In 1956, 250,000.
Source: Computations based on Bureau of the Census, City Government Finances.

Table C4

Per Capita Intergovernmental Revenue, Gross Debt Outstanding, and Interest on Debt, Income-Tax Cities and Other Cities, by City Size

Selected Years, Fiscal 1956-1966

City, by size	1966					1963					1956				
	Intergovernmental revenue			Gross debt outstanding	Interest on debt	Intergovernmental revenue			Gross debt outstanding	Interest on debt	Intergovernmental revenue			Gross debt outstanding	Interest on debt
	Total	From state	From Federal			Total	From state	From Federal			Total	From state	From Federal		
Group I (1 million or more inhabitants)															
Philadelphia, Pa.	$ 22	$ 14	$ 8	$453	$12	$15	$12	$ 3	$413	$10	$ 6	$ 5	$ 1	$304	$ 8
Detroit, Mich.	40	28	12	315	7	32	26	6	280	6	21	20	1	215	4
All other cities															
New York, N. Y.	161	155	6	989	17	98	93	5	875	15	48	47	1	653	10
Chicago, Ill.	21	13	8	272	7	15	12	3	277	7	13	12	1	133	2
Los Angeles, Calif.	17	17	(a)	377	3	12	11	1	317	4	8	8	(a)	194	1
Group II (500,000 to 1 million inhabitants)															
St. Louis, Mo.	10	9	1	184	5	8	7	1	163	4	6	5	1	62	1
Pittsburgh, Pa.	33	8	25	220	5	22	7	15	161	3	6	6	—	95	2
Cincinnati, Ohio	52	21	31	550	15	37	17	20	510	11	17	14	3	272	6
All other cities	53	46	7	330	7	41	38	3	307	6	30	29	1	205	4
Group III (300,000 to 500,000 inhabitants)															
Kansas City, Mo.	9	6	3	378	9	7	6	1	328	8	4	1	3	245	5
Louisville, Ky.	24	3	21	497	13	14	1	13	427	10	7	4	3	332	9
Columbus, Ohio	21	14	7	342	6	17	16	1	248	5	9	9	(a)	136	1
Toledo, Ohio	19	16	3	132	3	13	12	1	102	2	10	10	(a)	74	1
All other cities	29	24	5	335	6	21	18	3	301	5	10	10	(a)	134	2

a. Less than $0.50.

Source: Bureau of the Census, City Government Finances.

Table C5

Per Capita Expenditures for Major Functions, Income-Tax Cities and Other Cities, by City Size

Fiscal 1956, 1963, 1966

Function and year	Group I (1 million or more inhabitants)					Group II (500,000 to 1 million inhabitants)				Group III (300,000 to 500,000 inhabitants)				
	Philadelphia, Pa.	Detroit, Mich.	New York, N. Y.	Chicago, Ill.	Los Angeles, Calif.	St. Louis, Mo.	Pittsburgh, Pa.	Cincinnati, Ohio	All other cities	Kansas City, Mo.	Louisville, Ky.	Columbus, Ohio	Toledo, Ohio	All other cities
General expenditure														
1966	$166	$156	$475	$118	$126	$144	$136	$259	$190	$143	$176	$119	$141	$158
1963	154	131	369	103	112	132	108	218	161	104	124	96	109	137
1956	106	103	226	83	58	91	67	120	121	92	101	54	75	83
Education														
1966	1	3	132	0	0	(a)	0	72	25	0	51	0	30	27
1963	0	0	95	0	0	(a)	(a)	49	20	0	37	0	22	24
1956	1	(a)	56	0	0	(a)	0	19	17	0	16	0	10	13
General expenditure minus education														
1966	165	153	343	118	126	144	136	187	165	143	125	119	111	131
1963	154	131	274	103	112	132	108	169	141	104	87	96	87	113
1956	105	103	170	83	58	91	67	101	104	92	85	54	65	70
Highways														
1966	10	11	17	17	17	9	10	13	17	15	7	11	18	16
1963	9	10	24	13	13	12	7	17	15	10	5	13	17	13
1956	2	10	14	19	9	13	8	16	13	14	10	9	14	11
Public welfare														
1966	6	12	72	3	(a)	1	0	6	20	0	0	(a)	4	7
1963	5	16	44	3	(a)	1	(a)	6	14	(a)	(a)	1	7	6
1956	5	4	19	5	3	1	(a)	3	9	0	2	(a)	1	3

Table C5 — Continued

Function and year	Group I (1 million or more inhabitants)					Group II (500,000 to 1 million inhabitants)				Group III (300,000 to 500,000 inhabitants)				
	Philadelphia, Pa.	Detroit, Mich.	New York, N. Y.	Chicago, Ill.	Los Angeles, Calif.	St. Louis, Mo.	Pittsburgh, Pa.	Cincinnati, Ohio	All other cities	Kansas City, Mo.	Louisville, Ky.	Columbus, Ohio	Toledo, Ohio	All other cities
Hospitals and health														
1966	14	15	59	5	1	32	0	30	11	14	9	3	4	7
1963	11	13	42	5	4	29	(a)	27	10	13	7	2	3	7
1956	6	10	18	2	1	17	3	11	14	9	1	0	0	6
Police protection														
1966	24	25	38	26	28	30	20	17	20	20	14	15	14	17
1963	20	21	30	25	23	25	18	16	18	17	11	13	13	15
1956	13	17	17	15	13	16	13	12	13	8	9	7	10	9
Sewerage and sanitation														
1966	17	18	27	12	15	4	12	17	18	30	18	30	24	19
1963	16	18	20	11	15	4	11	14	19	17	20	20	17	15
1956	14	17	16	10	8	5	9	18	11	6	24	14	13	11
Parks and recreation														
1966	11	11	10	1	10	15	7	12	12	12	6	10	7	13
1963	8	9	11	1	9	12	7	8	10	8	4	7	5	9
1956	7	9	6	1	4	7	5	5	7	6	4	4	4	6
Housing and urban renewal														
1966	16	12	26	5	3	0	44	42	10	4	32	8	9	3
1963	12	6	30	5	2	0	30	23	6	5	10	3	1	3
1956	1	3	20	3	(a)	1	2	5	2	(a)	6	(a)	0	(a)

a. Less than $0.50

Source: Bureau of the Census, City Government Finances.