



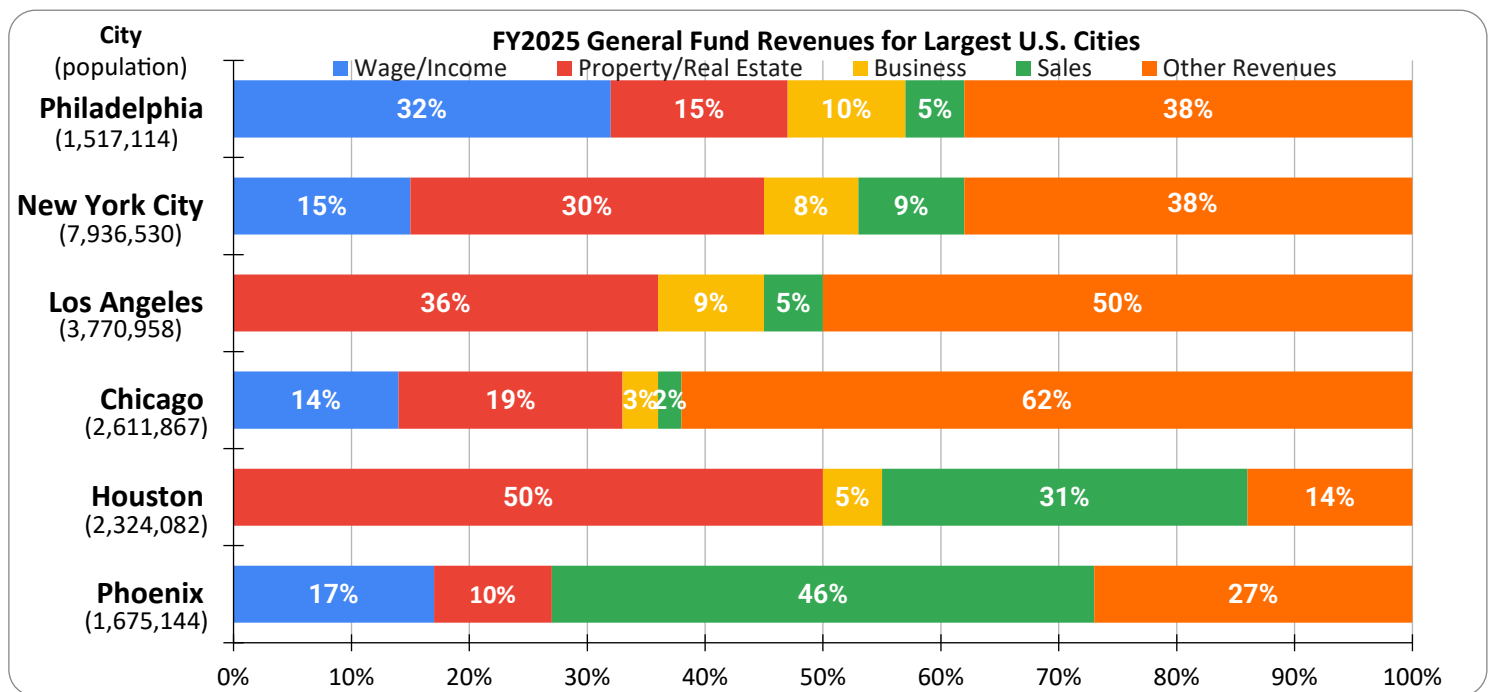
# MUNICIPAL MONEY MATTERS

## PHILADELPHIA CITY CONTROLLER CHRISTY BRADY

April 2025

### A Review of How the Largest U.S. Cities Fund Their Operations

As the City of Philadelphia's Fiscal Year 2026 budget process moves forward, the Controller's Office takes a closer look at the revenues that will fund the city's operations. Additionally, the latest Municipal Money Matters report compares the percentages of budget funding of the most common tax revenue generators between Philadelphia and the top five largest U.S. cities.



A third of Philadelphia's \$6.3 billion general fund comes from the city's **wage and income tax**. No other large city relies as much on a wage tax to fund its operations. Only 15% of New York City's \$155 billion budget is funded by its wage tax followed by Chicago at 14%. Los Angeles and Houston do not collect a wage tax on residents or employees in their cities.

When it comes to general **business taxes**, Philadelphia leads all other large cities with 10% of its tax revenues supporting the city's operations. Los Angeles, New York City and Houston are all below double digits and Phoenix does not impose similar business taxes on entities located in the city.

Other than Phoenix, Philadelphia relies the least on **real estate taxes** to fund its budget. With 15% of its revenues coming from property owners, it's far below Houston (50%), Los Angeles (36%), and New York City (30%).

While Phoenix and Houston have little to no dependency on wage and business taxes, they have the highest reliance on **sales tax** revenues at 46% and 31%, respectively.

All cities reviewed rely on **other revenue sources**, such as other local tax sources, non-tax fees, and state and federal dollars, to fund their budgets. More than 62% of Chicago's budget comes from other revenue sources compared to Philadelphia and New York City at 38%.

*Each month Controller Brady looks forward to bringing transparency and accountability of our city, right to you.*