



## OFFICE OF THE CITY CONTROLLER CITY OF PHILADELPHIA

1230 Municipal Services Building  
1401 John F. Kennedy Boulevard  
Philadelphia, PA 19102

# **PRESS RELEASE**

**FOR IMMEDIATE RELEASE:** April 22, 2025

**Contact:** Allison Steele, 609-220-6739

### **Philadelphia Tops Big Cities in Reliance on Wage and Business Taxes**

*City Controller's latest monthly report compares revenues that fund large cities' operations*

PHILADELPHIA – As Philadelphia continues its budget process, the City Controller's latest Municipal Money Matters report reveals that about 40% of the city's \$6.3 billion general fund is supported by wage and business taxes—significantly more than in other major U.S. cities.

A comparison of Philadelphia's primary revenue sources with those of the five largest U.S. cities shows that the share of revenue Philadelphia collects from individuals who work, live, and operate businesses in the city is nearly twice that of New York City (23%). These tax revenues account for 17% of Phoenix and Chicago's budgets. Los Angeles and Houston do not collect a wage tax on residents or employees in their cities.

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%).

Philadelphia's dependence on sales tax is comparatively lower than that of other large cities, with sales tax revenues accounting for five percent of Philadelphia's budget. Phoenix and Houston have the highest reliance on sales tax revenues at 46% and 31%, respectively.

"Policymakers need to look at how Philadelphia stacks up against other major U.S. cities when it comes to funding essential services and operations," Brady said. "Each city has its own challenges, but comparing approaches helps us understand what's effective and ensures we stay competitive."

All cities that were reviewed rely on other revenue sources, such as other local taxes, non-tax fees, and state and federal dollars, to fund their budgets. More than 60% of Chicago's budget comes from other revenue sources compared to Philadelphia and New York City at 38%.

"All cities depend on state and federal funding, and any changes to those revenue streams could increase pressure on local tax sources," Brady said.

Visit <https://controller.phila.gov/> to view the City Controller's latest report.

###