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How the 50 Largest American Cities Raise Revenue and What That Means for Tax Equity.

Overview

- Big cities are important drivers of the American economy, and the taxes they collect fund public services that help those communities thrive.
- While most local governments in the U.S. are largely funded by property taxes, large cities are a bit different, with more diverse revenue.
- Only about half of the nation's 50 largest cities rely mostly on property taxes. While all these cities collect at least some property tax revenue, the share varies.
- Another third of the 50 largest cities collect the bulk of their revenue from consumption taxes.
- The high reliance on property and sales taxes in these big cities results in low- and middle-income taxpayers paying a larger share of their incomes than high-income families in these places.
- By contrast, three cities collect the largest share of their revenue from income taxes, and four other cities get at least some revenue from income taxes. Income taxes tend to tax low- and middle-income families less than higher-income families, injecting progressivity into local tax codes and improving fairness for taxpayers.

Continue reading.

Institute on Taxation and Economic Policy

by Rita Jefferson, Nick Johnson, Galen Hendricks

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