

Tax Systems of Selected Regions

Metropolitan Area	Chicago-Joliet-Naperville, IL-IN-WI (14 counties)	Charlotte-Gastonia-Rock Hill, NC-SC (6 counties)	Los Angeles-Long Beach-Santa Ana, CA (2 counties)	Minneapolis-St. Paul-Bloomington, MN-WI (17 counties)	New York-Northern New Jersey-Long Island, NY-NJ-PA (23 counties)	Phoenix-Mesa-Glendale, AZ (2 counties)
Economic Indicators						
Gross Regional Product (GRP), 2009	\$508.7 billion	\$110.4 billion	\$730.9 billion	\$189.8 billion	1.2 trillion	\$190.7 billion
Average Annual GRP Growth, 2001-2009	3.0%	4.7%	4.3%	3.5%	3.6%	5.2%
Population, 2010	9,461,105	1,758,038	12,828,837	3,577,451	18,897,109	4,192,887
Population Growth, 2000-2010	4.0%	32.1%	3.7%	20.5%	3.1%	28.9%
Employment, 2009	5.5 million	1.2 million	7.4 million	2.2 million	10.8 million	2.2 million
Employment Growth, 2001-2009	0.2%	12.8%	0.5%	2.8%	5.6%	13.8%
Tax System (includes the tax system for the metropolitan area's primary state)						
State Individual Income Tax Rate, 2011	5%	6%: \$0-12,750 7%: \$12,750-\$60,000 7.75%: >\$60,000	1%: \$0-\$7,124 2%: \$7,124-\$16,890 4%: \$16,890-\$26,657 6%: \$26,657-\$37,005 8%: \$37,005-\$46,776 9.3%: \$46,766-\$1 million 10.3%: >\$1 million	5.35%: \$0-\$23,100 7.05%: \$23,100-\$75,891 7.85%: >\$75,891	4%: \$0-\$8,000 4.5%: \$8,000-\$11,000 5.25%: \$11,000-\$13,000 5.9%: \$13,000-\$20,000 6.85%: \$20,000-\$200,000 7.85%: \$200,000-\$500,000 8.97%: >\$500,000	2.59%: \$0-\$10,000 2.88%: \$10,000-\$25,000 3.36%: \$25,000-\$50,000 4.24%: \$50,000-\$150,000 4.54%: >\$150,000
State Corporate Income Tax						
2011 Rate	9.5% including PPRT	6.9%	8.84%	9.8%	7.1%	6.968%
Apportionment of Income	Single sales factor	50% Sales, 25% Property, 25% Payroll	Single sales factor or 50% Sales, 25% Property, 25% Payroll	90% Sales, 5% Property, 5% Payroll Starting 2014: Single sales factor	Single sales factor	50% Sales, 25% Property, 25% Payroll or 80% Sales, 10% Property, 10% Payroll
Property Tax						
Effective rates for commercial and industrial property in central city	3.9% (2009)	1.3% (2011)	1.2 (2010)	3% (2011)	4.6% (2011)	2.2% (2010)
Personal Property Taxes	No	Yes	Yes	No	No	Yes
Sales Tax						
State Rates	6.25%	4.75%	7.25%	6.875%	4%	6.6%
Local Rates	0%-3.75%	2%-3%	0.5%-2.5	0%-0.9%	3.375 -4.875%	0.7%-4.6%
Number of services in base, 2007	17	30	21	66	57	55
State Gas Tax Rate (excise only), 2011	19 cents	32.5 cents	35.3 cents	27.1 cents	8.1 cents	18 cents

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<p>State Revenue Sharing Mechanisms</p>	<p>State income tax is disbursed to municipalities and counties based on population. State sales tax revenue is disbursed to municipalities and counties based on the location of sale. See CMAP's Regional Snapshot, "State and Local Taxation," for additional information.</p>	<p>None</p>	<p>Of the 7.25% state sales tax, 1 percentage point is shared with local governments: 0.75% to municipalities and 0.25% to county transportation funds, based on the location of sale.</p>	<p>State revenue is shared through an amount appropriated annually and disbursed to cities using a formula that compares spending needs with ability to raise revenue through a property tax. Spending needs are determined by: Cities <2,500 residents: pre-1940 housing % of market value; population decline over last 10 years; commercial/industrial % of market value; population. Cities >2,500 residents: pre-1940 housing % of market value; population decline over last 10 years; traffic accidents per capita; metro city or not; household size.</p>	<p>State revenue is shared through an amount appropriated annually and disbursed to municipalities based on population and the type of municipality (city, village, town). Additionally, funds are shared with some local governments based on level of fiscal distress.</p>	<p>Approximately 40% of the sales tax and 15% of the income tax is shared with local governments, based on population.</p>
<p>Statewide or Region-wide Local Revenue Sharing Mechanisms</p> <p>(In addition to these mechanisms, individual local governments may have agreements with other local governments to share revenues)</p>	<p>None.</p>	<p>For counties that impose a sales tax, they must distribute funds to municipalities either based on population or the amount of property tax levied. If the latter is used, funds also must be disbursed to other districts that levy property taxes. For counties that impose a sales tax rate of 1.5% or more, 0.5% is pooled and disbursed to counties based on population and a statutory adjustment factor. Counties must disburse these funds to municipalities according to the method used above.</p>	<p>One percentage point of the property tax imposed is collected and pooled by counties. Each local jurisdiction receives a base allocation in proportion to the property tax revenues it received in the prior year. The base began with taxes received in 1978, which was prior to the implementation of this system. In addition, local governments receive an incremental portion equal to its share of any change in assessed property value within its boundaries.</p>	<p>In 7 counties of this region, municipalities pool 40% of the increase in commercial and industrial property value since 1971 in a regional tax base that is taxed using the weighted average of the local property tax rates of all jurisdictions in the previous year. Funds are disbursed based population multiplied by a ratio of the region-wide property value per capita to the municipality's property value per capita.</p>	<p>In New York, counties are authorized to impose a sales tax. Of the five NY counties in the region (excluding New York City), four share a portion of their sales tax revenues with local governments located within the county. Many, but not all of these arrangements are based on population.</p>	<p>None.</p>

Sources: Tax Foundation; U.S. Bureau of Economic Analysis; U.S. Census Bureau; Federation of Tax Administrators; League of Minnesota Cities; Maricopa County, Arizona; North Carolina General Statutes, Chapter 105; City of Phoenix, Arizona; New York State Department of Taxation and Finance; Office of the New York State Comptroller; California Board of Equalization; New York City Department of Finance; Los Angeles County Auditor-Controller; County of Santa Clara