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FOR INFORMATION CALL

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Ald. Michael J. Murphy
(414) 286-2074

Milwaukee Collects Fewer Taxes, Incurs Lower Expenditures Than Peer Cities

Alderman Wants Residents to Know City Compares Favorably

No one ever says “Isn’t it great that we’re not paying 8.5% sales tax on our groceries.” But they do question what they are paying. City officials say it’s time residents understand that Milwaukee **generally spends less and has lower taxes** than comparable cities because it doesn’t assess other local taxes.

The 2006 Comparative Revenue and Expenditure Report from City Comptroller W. Martin “Wally” Morics not only shows that the City of Milwaukee collects lower taxes and other revenues than nearly all of nine similar municipalities throughout the country, it also spends less per capita. Why is this important? “Milwaukee is in a competitive business with other peer cities,” said Ald. Michael J. Murphy, chair of the Common Council’s Finance Committee. “Citizens and businesses need to know that despite numerous references to high property taxes in the city, they are getting value for the tax dollars they are paying.”

The report looks at major functions in a city, such as public safety, public works and health services. The comparison indicates that Milwaukee is limited by the state in the amount of revenue it can collect compared with the peer cities, many of which collect sales and income taxes in addition to a property tax. The local taxes collected by the City of Milwaukee are about half of the comparable cities’ average. Local taxes in Milwaukee are \$374 (51%) less per person than the average of comparable cities, putting it eighth on the list.

-More-

Comparative Revenue/Expenditure Report/ADD ONE

The report compared Milwaukee's revenue sources with Charlotte, Cincinnati, Cleveland, Columbus, Oklahoma City, Pittsburgh, Portland, Sacramento and Toledo.

The local tax in Milwaukee is the property tax, and per capita the report indicates that local property taxes are \$98 higher than the average. Unlike many other states however, Wisconsin prohibits local municipalities from imposing local sales and income taxes. "When other local taxes and intergovernmental aids are combined, per capita revenue for the City of Milwaukee is \$412 (22%) less than comparable cities," said Ald. Murphy, "despite the fact that Milwaukee received \$240 less in local taxes and other governmental aids than the other cities in the report."

The report indicates that on the expenditure side, Milwaukee pays \$248 dollars less than the peer cities, ranking the city eighth in per capita expenditures. Public safety expenditures ranked seventh lowest, public works the eighth lowest. "For a family of four it means nearly \$1,000 they don't pay in taxes for services."

City efforts to control the growth in property taxes and decreasing state aid has resulted in a need to look for alternative funding sources and user charges. Here too the report shows Milwaukee's per capita charges for services are \$191 (32%) less than the average of comparable cities.

"This is a message that city officials must do a better job of explaining to city residents," said Ald. Murphy. "Many of the peer cities have a diversified revenue stream with local sales and income taxes that makes their property tax rate look low, but even with fewer revenue options in Milwaukee, this report shows that the city is competitive with similar municipalities around the country."

The 2006 Comparative Revenue and Expenditure Report is available on the Comptroller's page of the city web site, www.milwaukee.gov under financial services, or you can call the Comptroller's office at 286-3321 for a copy.