

TABLE 3.—*The role of the property tax in local government finances, 1965-66*¹

	All local governments	Outside 38 largest SMSA's	Total 38 SMSA's	38 largest SMSA's ² Areas where welfare primary responsibility of—	
				State government ³	Local government ³
Property tax revenue as percent of—					
Total general revenue	45	43	47	48	46
Locally raised general revenue ⁴	67	69	66	64	67
Property tax revenue:					
In millions	\$23,836	\$11,573	\$12,263	\$3,954	\$8,309
Per capita ⁵	123	101	154	121	177

¹ Based on U.S. Bureau of the Census, *Local Government Finances in Selected Metropolitan Areas in 1965-66* (1967) and *Governmental Finances in 1965-66* (1967).

² Those with populations over 700,000.

³ The classification is based on statewide ratios of State government direct expenditure for public welfare and of local government direct expenditure for public welfare to total public welfare expenditure. 15 of the areas are in States in which State direct expenditure in 1965-66 was 75 percent or more of the total and another 2 in States with State/State-local ratios of 50-75 percent. 17 are in States with local/State-local ratios of 75 percent or more and another 4 in States with local/State-local ratios of 50-75 percent.

⁴ Total general revenue less revenue from other governments.

⁵ 1965-66 revenue divided by estimated July 1, 1965, population.

Even lower percentages can be found in some areas dominated by large central cities which rely very heavily on nonproperty taxes. (The instances cited in the preceding paragraph concern SMSA's in which both central city and suburban governments employ such taxes.) As table 4 shows, the property tax looms much larger in local government finances in the large SMSA's for county governments, school districts, and small municipalities and townships than it does for the central city governments, which on the average obtain barely over half—51 percent—of their locally raised general revenue from the property tax.

TABLE 4.—*Dependence on the property tax by local governments in the 38 largest SMSA's, 1965-66, by type of Government*¹

Type of government	Property tax revenue as percent of—	
	Total local government general revenue	Locally raised general revenue ²
All local governments in 38 largest SMSA's	47	66
Counties	46	75
Municipalities	39	53
(34 central cities with 1960 populations of 300,000 or more)	(37)	(51)
(Other municipalities)	(47)	(58)
Townships	65	80
School districts	55	88
Special districts	27	32

¹ Based on U.S. Bureau of the Census, *Local Government Finances in Selected Metropolitan Areas in 1965-66* (1967) and *City Government Finances in 1965-66* (1967).

² Total general revenue less revenue from other governments.