

In general, the property tax finances a significantly smaller share of the costs of public services in central cities than in outlying parts of the larger metropolitan areas, because of use of nonproperty taxes by the municipal governments in most of the large central cities. This is illustrated by the first two columns in table 5, for 11 large SMSA's.⁶ In nine of the 11 areas, the relatively smaller role of the property tax in the central cities is evident. In the Baltimore area the differences are small, and in New Orleans the property tax is relatively insignificant in both central city and suburbs. But despite the smaller relative importance of central city property taxes, on a per capita basis property tax collections in the central cities are equal to or greater than such tax collections in the suburbs, except in the Washington, New York, and Philadelphia areas, as shown in the last two columns of table 5 and in figure 2. And in these three cases, the disparity in the relative role of the property tax is greater than the disparity in the per capita property tax revenue; that is, the very heavy use of nonproperty taxes more than offsets the lower per capita property tax payments. This is just another way of making the common observation that tax burdens are, in most cases, greater in central cities than in suburbs; usually this is reflected in the property tax data, but elsewhere the explanation lies in nonproperty taxes.

⁶ The SMSA's selected for table 5 are, with two exceptions, those in which the central city is an independent city not in any county, or has a combined city-county government structure, thus simplifying the comparison. The exceptions are Chicago and Detroit.

TABLE 5.—*The property tax in local government finances: Central cities versus outlying parts of selected large SMSA's, 1965-66*¹

Area ²	Property tax revenue as percent of locally raised general revenue		Property tax revenue per capita	
	Central city	Outlying	Central city	Outlying
Baltimore.....	73	71	\$136	\$108
Boston ³	82	87	258	177
Chicago ⁴	71	79	156	157
Denver.....	65	80	164	143
Detroit ⁵	69	74	156	130
New Orleans.....	39	34	48	37
New York.....	48	88	175	234
Philadelphia.....	46	70	88	121
St. Louis.....	44	76	111	114
San Francisco ⁶	68	72	253	238
Washington, D.C.....	29	70	110	131

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

² Except where otherwise indicated, the central city is the city named in the stub and the outlying parts of the area comprise the remainder of the SMSA.

³ The "central city" is Suffolk County; the SMSA is Massachusetts State economic area C.

⁴ The "central city" is the whole of Cook County.

⁵ The "central city" is the whole of Wayne County.

⁶ The outlying parts exclude Alameda County, because Oakland has central city characteristics.