



CASE STUDY

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BREAKING DOWN REVENUE

HOW KANSAS CITY AND SAINT LOUIS COMPARE TO SIX OTHER CITIES

By Michael Rathbone

ABSTRACT

Cities need money to operate. The types and amounts of revenue they collect differ from city to city. This case study focuses on revenue collection in Kansas City and Saint Louis along with six comparable cities—Denver, Indianapolis, Louisville, Oklahoma City, Omaha, and Tulsa. From this comparison, I hope to determine which city places the greatest revenue burden on its residents. The comparisons in this paper will shed light on whether Kansas City and Saint Louis are high- or low-revenue cities relative to other cities across the country.

INTRODUCTION

Not all cities finance themselves in the exact same way. Some cities rely heavily on taxes, others rely more on fines and fees. This paper will compare the total amounts

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of revenue Saint Louis and Kansas City collect relative to other cities, and it will examine the types of revenue each city utilizes.

When examining revenue collection among cities, it is important to note a couple of things. Just comparing revenue across cities does not tell you everything about the revenue burden imposed upon its residents. For example, both Louisville and Indianapolis, two of the cities this paper will examine, are consolidated city-county entities. This means that these cities have merged with their counties to become one unified jurisdiction. Saint Louis is an independent city, which means that it is not located in any county and carries out many of the same functions that counties provide as well. On the other hand, Kansas City is located within several counties, and the city's revenue and expenses are kept separate from the counties.¹

Despite their differing organizations, there is still a benefit in comparing these cities' revenue collections. According to Economist Charles Tiebout, people settle in cities that offer their preferred mix of services at an acceptable tax rate.² There is a potential hazard if cities have taxes that are too high. In examining the impact of high taxes on migration at the state level, Economist Richard Vedder found that "... higher taxes mean less migration into a state, and more migration out of a state."³ Laurence Kotlikoff, Bernd Raffelhuschen, and Christian Hagist also found that taxes affected people's location decisions, but the effect is small.⁴ Howard Wall found that the presence of an earnings tax had a negative effect on a city's population growth.⁵ Each of these studies lends support to the notion that taxes play some part in resident location decisions.

If Kansas City and Saint Louis are collecting large amounts of revenue, it could indicate that they are responding to resident demand and financing the provision of a wide range of services. However, revenue collections that greatly exceed other cities, especially in regard to taxes, could be seen as a negative factor that has an impact on the population level of these cities. This paper does not discuss whether the revenue levels do in fact meet the threshold for having a negative impact on these cities' population level. Its sole aim is to compare the total amount and types of revenue collected for each of these cities.

A previous Show-Me Institute case study, "Kansas City and Saint Louis Expense Breakdown Compared to Six Other Cities" (hereafter, Budget), described the spending patterns of Kansas City and Saint Louis and outlined the general categories in which these expenditures were made. It then compared them to the spending patterns of the same six comparison cities that this study will use. That paper found Saint Louis spent the most per person compared to the other cities. Kansas City was also one of the highest spenders. It is possible that Kansas City and Saint Louis collect large amounts of revenue compared to other cities as well. This paper will see if that is actually the case.

For this case study, the six comparison cities are Tulsa, Oklahoma City, Omaha, Indianapolis, Denver, and Louisville. Table 1 has some selected information about each city.

TABLE 1⁶

City Data Points	Population	Government Structure	Bachelor's Degree or Higher	Median Household Income	Living Below Poverty
Kansas City	467,007	Council-Manager	31.3%	\$45,275.00	19.1%
Saint Louis	318,416	Mayor-Council	29.6%	\$34,582.00	27.4%
Tulsa	398,121	Mayor-Council	30.0%	\$41,241.00	20.1%
Oklahoma City	610,613	Council-Manager	28.1%	\$45,824.00	18.2%
Omaha	434,353	Mayor-Council	33.1%	\$48,052.00	16.6%
Indianapolis	843,393	Mayor-Council (Consolidated)	27.3%	\$41,592.00	20.9%
Denver	649,495	Mayor-Council (Consolidated)	42.9%	\$50,313.00	19.1%
Louisville	609,893	Mayor-Council	26.9%	\$44,159.00	18.4%

Kansas City shares certain characteristics with each of the cities listed in Table 1. Tulsa and Omaha have populations that are similar to Kansas City. Other cities share certain economic traits with Kansas City. Denver has a poverty rate similar to Kansas City while Tulsa has a nearly identical per capita income. Saint Louis is not as similar as Kansas City is to the other six cities, but this paper includes it in this analysis because it is at the center of the other large metropolitan area in Missouri.

SOURCES OF REVENUE

Specifically, this case study compares Saint Louis and Kansas City's total revenue collections with the same six similar cities that Budget used in comparing city expenditures. It then breaks down the revenue collections to examine how much of the totals come from taxes, fees, intergovernmental transfers, and other revenue. Additionally, this paper breaks down the total amount of city tax collections by the type of tax levied. This paper uses revenue data obtained from each city's Comprehensive Annual Financial Report (CAFR).⁷

For the purposes of this paper, there are four types of revenue:

1. **Taxes:** Charges levied by a government in order to raise revenue. They need not be related to any specific benefit. Payment is not optional.⁸ There will be a further breakdown of this category to examine property tax, sales and use tax, business tax, earnings tax, and miscellaneous tax collections.
2. **Fees:** A charge for government goods or services above and beyond what is normally available to the public.⁹ This paper only examines the total amount of fees collected.
3. **Intergovernmental Revenue:** Revenue that comes from other governments and can include grants, shared taxes, advances, and contingent loans.¹⁰ This paper only examines the total amount of intergovernmental revenue each city collects.

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4. **Other Revenue:** All other governmental revenue not included in the previous three sections. Items that are included in this section include: investment income, fines, and the miscellaneous and other revenue line items in the various cities' CAFRs.

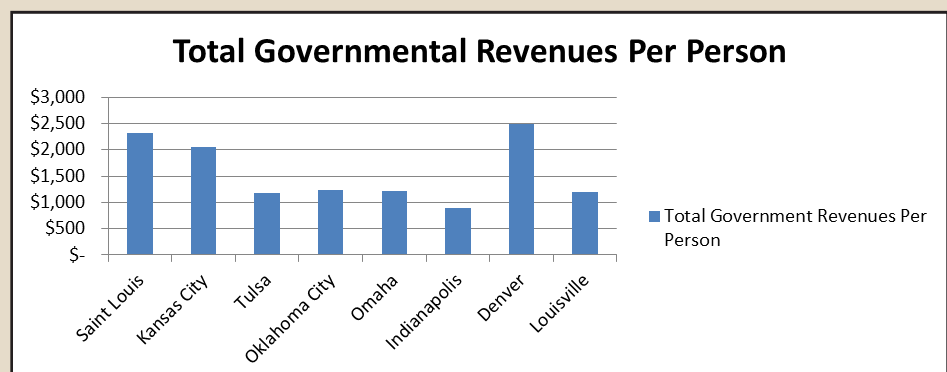
It is important to note why this paper breaks down revenue into these specific categories. Taxes and fees represent charges imposed by the city so that it can provide services. Taxes are mandatory and do not have to relate directly to services provided to taxpayers. Fees are usually voluntary and relate to a direct payment to a government for a specific service. Intergovernmental revenue provides additional monies that come from outside of the cities for the provision of services. These monies can supplement the financing of existing services or be specifically targeted to the provision of additional services. Other revenue include smaller line items that are not universally found in every city. Some of the items found in this category, like investment income, do not necessarily represent a burden on taxpayers since the money comes from other sources. With these points in mind, it becomes easier to see why just looking at the topline number for a city's total revenue collections might not give as full a picture of the burden a city places on its residents in financing the provision of services.

Finally, this paper uses per capita figures. This means that each figure reported in this paper takes the total amounts (revenue, taxes, and fees) from each city's CAFR and divides them by the city's total population, according to each city's 2013 census population estimates.¹¹ Raw totals alone are not as useful as per capita numbers in comparing the different cities. For example, City A could collect twice as much revenue as City B, but if City A's population is three times that of the City B, then City B's residents would really be paying more. That is what this paper seeks to determine: Which city places the greatest revenue burden on its residents.

HOW DO KANSAS CITY AND SAINT LOUIS COMPARE?

Figure 1 shows that Denver collects more revenue per resident (\$2,491.97) than

FIGURE 1



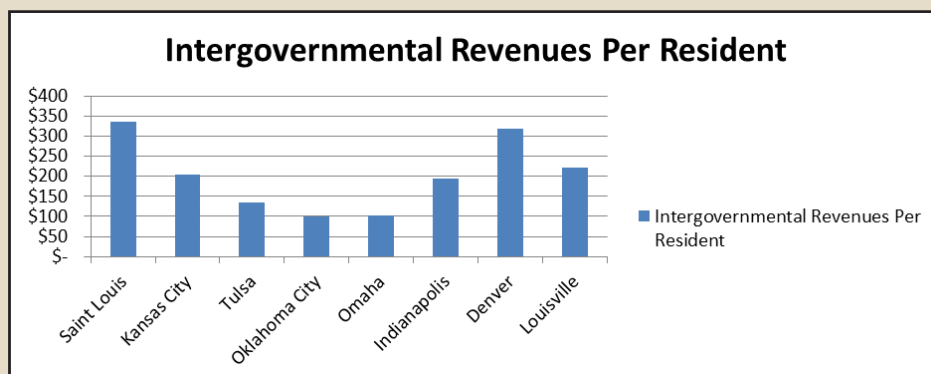
Total per capita governmental revenue for all eight cities. This total includes all taxes, fees, and intergovernmental transfers.

any of the other comparison cities. Saint Louis comes in second (\$2,320.09), followed by Kansas City (\$2,055.31).

Kansas City collects \$820 more than the next city (Oklahoma City). Indianapolis collects the least amount among the cities at \$885.23.

Figure 2 shows the amount of intergovernmental revenue collected by each city.

FIGURE 2

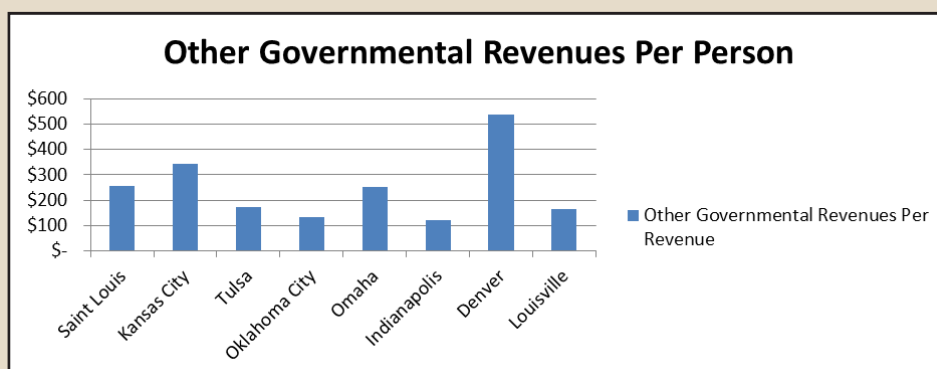


Total per capita intergovernmental revenue for all eight cities. These totals include grants, shared taxes, advances, and contingent loans from other governmental entities.

Saint Louis receives the most intergovernmental revenue per resident (\$516.20) followed by Denver (\$318.52). Kansas City comes in fourth (\$204.11) behind Louisville (\$222.69).

Figure 3 shows the amount each city collects in other revenue.

FIGURE 3



Revenue that is neither taxes, fees, nor intergovernmental transfers. Types of revenue in this category can include investment income and fines.

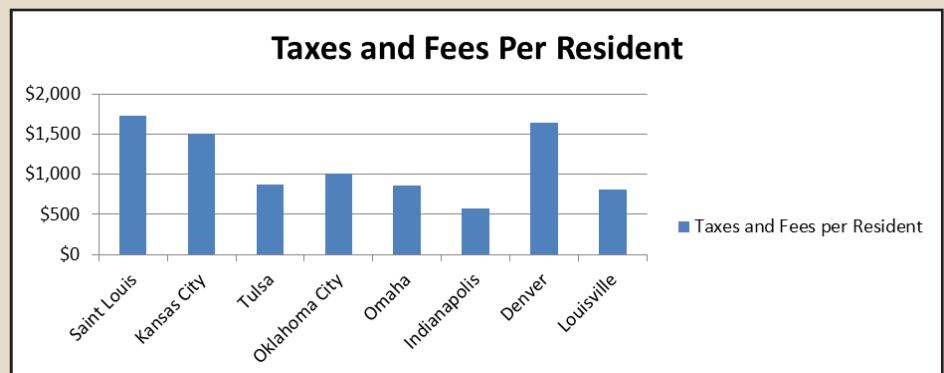
Figure 1 shows that Denver collects more revenue per resident (\$2,491.97) than any of the other comparison cities. Saint Louis comes in second (\$2,320.09), followed by Kansas City (\$2,055.31).

When only examining fees per resident, Kansas City ranks the highest amongst the eight cities.¹² Figure 5 shows this information.

Denver and Kansas City collect the most other revenue, with \$537.48 and \$341.69 respectively. Omaha follows with \$251.94. Saint Louis receives the least amount with \$75.65 collected.

Figure 4 shows the amount each city collects in revenue with intergovernmental and other revenue taken out of the total.

FIGURE 4

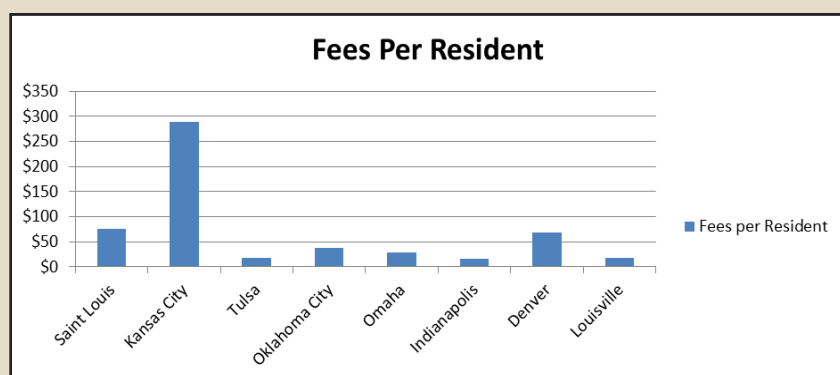


Total taxes and fees collected per resident for all eight cities. This is total governmental revenue per person with intergovernmental revenue and other revenue subtracted out.

Saint Louis ranks first (\$1,728.25) and Denver ranks second (\$1,635.97). Kansas City collects the next largest amount (\$1,509.51).

When only examining fees per resident, Kansas City ranks the highest amongst the eight cities.¹² Figure 5 shows this information.

FIGURE 5



Each of the eight cities' fee collections per resident totals.

Kansas City not only ranks first among these comparison cities in fees per resident (\$288.32), but it also collects more in fees per resident than all of the other cities **combined**. Fees constitute nearly one-fifth (16.83 percent) of Kansas City's per capita revenue collections. Of the other cities, fees do not constitute more than 4 percent of per capita revenue.

Table 2 lists the top five revenue sources for the fee category in Kansas City.¹³

TABLE 2

TOP 5 FOR FEES, LICENSES, AND PERMITS	
ACCOUNT NAME	NET BALANCE (AFTER REFUNDS)
Power and Light Companies Total	52,104,460.43
Business Professional and Occupancy License Total	20,387,964.62
Wireless Telephone Companies Total	12,466,977.27
Natural Gas Companies Total	11,542,800.03
Car Rental Fee - Arena Total	9,083,305.00
TOTAL	105,585,507.35

The largest fee that Kansas City collects is for electric and power companies (Power and Light). The revenue collected from that fee is larger than the next three largest fees put together. The amount is so large relative to the population of Kansas City that it is larger than the per-person fee totals than all of the other comparison cities. Table 3 shows how Kansas City's Power and Light per capita fee total compares to the other cities.

The largest fee that Kansas City collects is for electric and power companies (Power and Light).

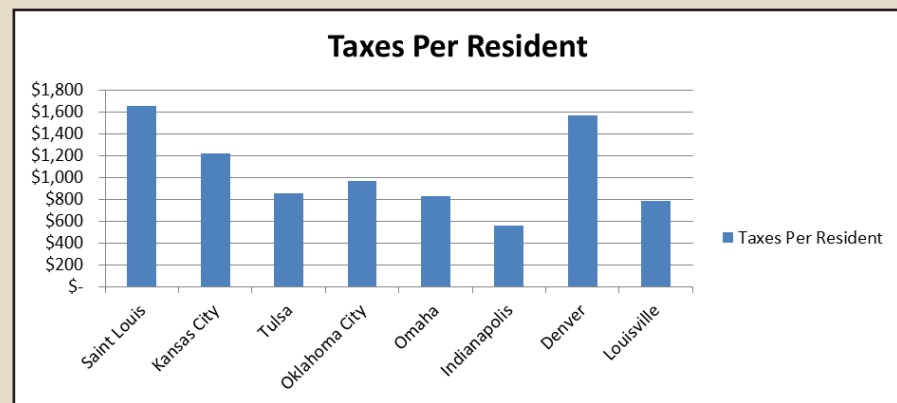
TABLE 3

Fees Per Resident	
Power and Light	\$163.64
Saint Louis	\$ 76.50
Denver	\$ 68.38
Oklahoma City	\$37.78
Omaha	\$ 29.22
Louisville	\$ 18.55
Tulsa	\$ 17.93
Indianapolis	\$ 15.96

This paper also examines city revenue collected as a percentage of personal income.

Figure 6 shows the amount each city collected in taxes per resident.¹⁴

FIGURE 6

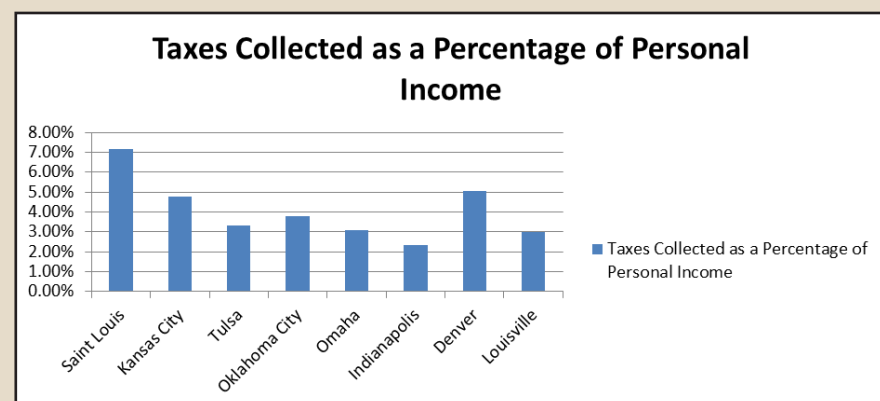


Each of eight cities' total tax collections per resident.

Saint Louis collects \$1,651.75 per resident in taxes. This is almost \$100 more than Denver (\$1,567.58), the next closest city. Kansas City comes in third with \$1,221.19 collected per resident. Indianapolis collects the least amount in taxes per resident at \$554.69.

This paper also examines city revenue collected as a percentage of personal income. The following example illustrates why this is worth examining. City A might collect more in per capita taxes than City B, but its residents' per capita income also might be much higher than City B's residents. Thus, tax burden per resident in City A might actually be lower (on a percentage basis) than the burden in City B. Figure 7 compares each city's taxes collected per resident as a percentage of personal income.¹⁵

FIGURE 7



These are the total taxes collected per resident for each of the eight cities divided by each city's total personal income.

Saint Louis ranks first in this measure with taxes collected, making up 4.78 percent of resident personal income. Denver is ahead of Kansas City at 3.12 percent. Kansas City is third with 2.70 percent. Indianapolis is last with a percentage of 1.32 percent.

TAX BREAKDOWN

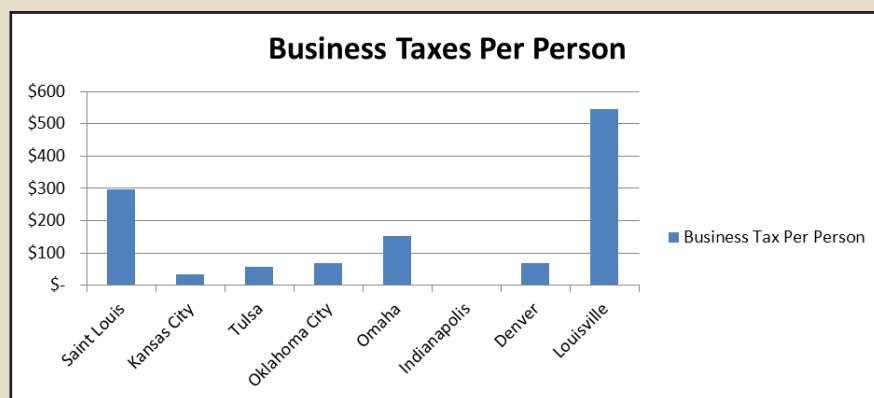
The taxes levied by a city can have an impact on its economic health.¹⁶ Although taxes are not the sole determinant of whether a city experiences economic growth or contraction, they do matter. Not all taxes affect economies the same way. Some can be more damaging than others. According to Economist Jens Arnold, “Property taxes, and particularly recurrent taxes on immovable property, seem to be the most growth-friendly, followed by consumption taxes and then by personal income taxes. Corporate income taxes appear to have the most negative effect on GDP per capita.”¹⁷ That is why, in addition to showing how each city compares in taxes per resident, this paper also breaks down what types of taxes are collected per resident. This paper breaks down taxes into five categories:

1. Business taxes: includes gross receipts taxes, gaming taxes, franchise taxes, and occupational taxes.
2. Earnings taxes.
3. Sales and use taxes: includes hotel/motel and restaurant taxes.
4. Property taxes: includes motor vehicle taxes and wheel taxes.
5. Miscellaneous taxes.¹⁸

These categories are broad, and the taxes included in each of them can be quite different. For example, a gross receipts tax is not the same as a tax on corporate income.¹⁹ This paper is not aimed at determining which city’s tax structure does the most/least amount of economic harm. However, the Arnold paper provides a nice framework in which to categorize the different types of taxes these cities impose.

Figure 8 shows the amount of business taxes per resident each city collects.

FIGURE 8



Each of the eight cities’ total business tax collections per resident. Business taxes can include gross receipts taxes, gaming taxes, and franchise taxes.

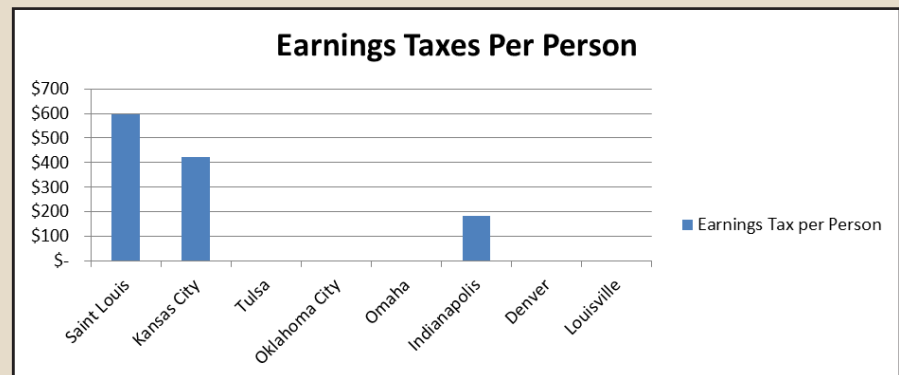
Although taxes are not the sole determinant of whether a city experiences economic growth or contraction, they do matter.

Kansas City leads by far when it comes to the amount of fees collected per resident as compared to other cities.

Louisville collects \$545.41 in business taxes per resident. This is the most of any city. Saint Louis collects the second most at \$297.48 per resident, and Omaha collects the third most (\$153.06). Kansas City ranks near the bottom of the comparison cities with \$33.20 collected per person.

Figure 9 compares each city's earnings taxes per resident.

FIGURE 9

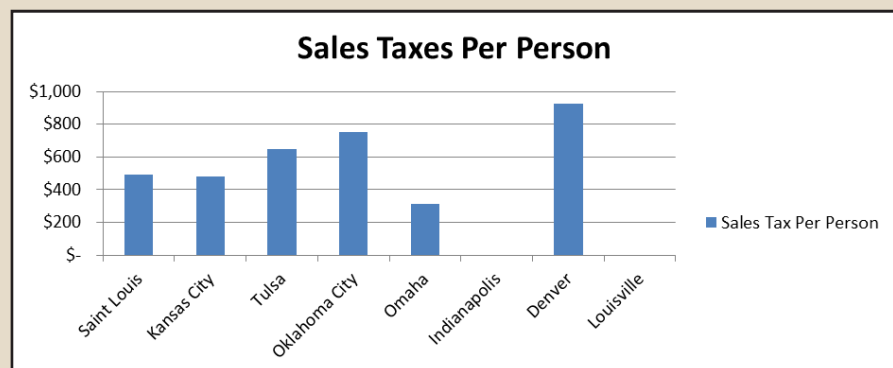


Each of the eight cities' total miscellaneous tax collections per resident. Not all cities levy an earnings tax.

The majority of the cities in this study do not impose an earnings tax. Of those that do, Saint Louis collects the most earnings taxes per resident at nearly \$600 per resident (\$595.96). This is over \$170 more than Kansas City, which collects more than \$400 per resident (\$424.35).

Figure 10 shows the amount of sales and use taxes per resident each city collects.

FIGURE 10



Each of the eight cities' total sales tax collections per resident.

Denver collects the most sales and use taxes per resident at \$928.15. Oklahoma City collects the second most at \$751.79. Of the comparison cities, Saint Louis and Kansas City rank near the middle (\$494.01 and \$482.13, respectively) of the comparison cities.

As Figure 11 indicates, Denver collects the most property taxes per resident (\$543.37). It is followed by Omaha (\$350.40) and Indianapolis (\$348.09). Kansas City and Saint Louis again rank in the middle of these comparison cities (\$263.52 and \$252.42, respectively).

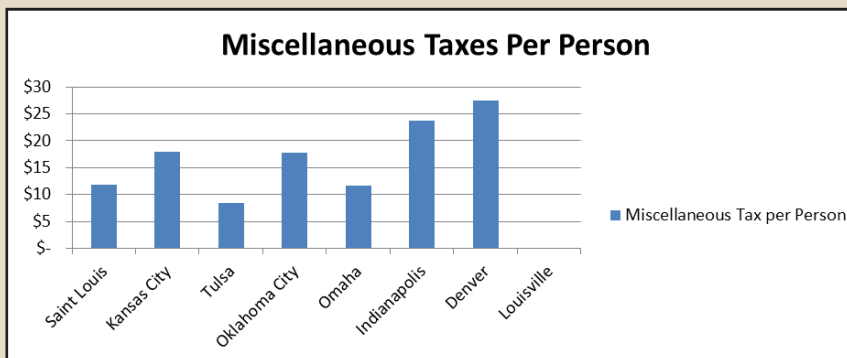
FIGURE 11



Each of the eight cities' total property tax collections per resident.

Figure 12 shows the amount of miscellaneous taxes collected per resident for each of the cities.

FIGURE 12



Each of the eight cities' total miscellaneous tax collections per resident. Miscellaneous taxes include taxes that could not be easily placed in any of the other four categories.

Saint Louis and Denver rely more on taxes and again lead all of the other cities in taxes collected per resident.

Saint Louis not only collected the most taxes per resident, but it also collected the most taxes as a percentage of its residents' personal income (7.66 percent).

Denver leads in this category as well with \$27.53 collected. Indianapolis and Kansas City follow with \$23.68 and \$17.98 collected per resident respectively. Saint Louis ranks fifth (\$11.88).

DISCUSSION

Denver, Saint Louis, and Kansas City are the leaders in total government revenue. Even by subtracting out intergovernmental revenue, Denver and Saint Louis still collect the most per resident. Kansas City is close behind. At this point there is a large divergence between the types of revenue collection between Saint Louis and Denver on one hand and Kansas City on the other.

Kansas City leads by far when it comes to the amount of fees collected per resident as compared to other cities. Saint Louis and Denver rely more on taxes and again lead all of the other cities in taxes collected per resident. Because of the high amount of fees collected, Kansas City, while ranking third in total taxes collected (\$1,221.19) is closer to Oklahoma City (\$1,002.75) in the amount of taxes collected per resident than it is to Saint Louis (\$1,651.75) and Denver (\$1,567.58).

Saint Louis not only collected the most taxes per resident, but it also collected the most taxes as a percentage of its residents' personal income (7.17 percent). This paper does not state whether the 7.17 percent of personal income collected as taxes is overly burdensome. I have not seen evidence that **this** amount would cause people to choose to leave the city. The literature does suggest that the higher the taxes go, the chance of people migrating out of the city will increase, at least slightly.

The Arnold paper suggests that not all taxes affect economies the same way.²⁰ Determining the specific effect of each of these taxes on their cities' economies is beyond the scope of this paper. It would suggest though that taxes on capital and income would cause the most damage to a region's economy. Since business taxes constitute a broad category, just looking at the business taxes collected per resident would not entail that the city that collected the most has the worst environment for business. I do think it would be fairer to state that, all other things remaining the same, a city with no business taxes would have a competitive advantage over a city that does.

Beyond the findings of the Arnold paper, there is a lot of evidence regarding the negative economic effects an earnings tax can have on a city.²¹ Only three cities impose an earnings tax, with Kansas City and Saint Louis being two of them (Indianapolis is the other). If possible, it might be better for these cities economically if they found an alternative to the earnings tax. The fact that Saint Louis and Kansas City derive so much (more than 34 percent in both cases) tax revenue from earnings taxes might make eliminating it a difficult task, but there are ways to replace these taxes if there is a desire to do so.²²

No one city collects the most taxes per resident in every category in the tax breakdown. As mentioned before, Saint Louis collects the most earnings taxes per resident. Louisville collects the most business taxes per resident. However, Denver

leads in the most categories as it collects the most sales and use, property, and miscellaneous taxes per resident, which is to be expected since it is one of the cities that collects the most revenue per resident and it does not impose an earnings tax.

SUMMARY

This paper conducts a comparative overview of revenue collections for similar cities. Kansas City and Saint Louis are among the cities that collect the most revenue per person. They also collect relatively large amounts of revenue as a percentage of their residents' personal income. This does not mean that Saint Louis and Kansas City's taxing and fee environments are overly burdensome (although that is certainly possible), it only gives a snapshot of how much money each city collects.

Just because Saint Louis and Kansas City are among the leaders in revenue collected per resident, it does not mean that they are necessarily being inefficient in the delivery of services. However, a large tax burden relative to similar cities can serve as a warning signal. While the exact number is hard to quantify, the literature gives reasonable evidence to suggest that the higher the tax burden for one particular city, other similar cities with much lower tax burdens can be more attractive to some of the high-tax city's residents. Saint Louis has lost population from 2000; does that mean the high relative tax burden is to blame?²³ It is certainly possible.

NOTES

1 Indianapolis and Marion County serve as one governmental entity known as Unigov. More information about this arrangement can be found at http://lwwindy.org/files/unigovhandbookweb_2011.pdf. Louisville and its home county also serve as one governmental entity. More information about this arrangement can be found at <http://www.louisvilleky.gov/YourGovernment/About+louisville.htm>. Saint Louis City is listed as its own county on the Census QuickFacts website: <http://quickfacts.census.gov/qfd/states/29/2965000.html>.

2 Tiebout, "A Pure Theory of Local Expenditures," 416–24.

3 Vedder, "Taxes and Migration."

4 Kotlikoff, Roffelhuschen, and Hagist. "How Regional Differences in Taxes and Public Goods Distort Life Cycle Location Choices." http://www.ief.es/documentos/recursos/publicaciones/revistas/hac_pub/189_how.pdf

5 Kotlikoff, Raffelhuschen, and Hagist. "How Regional Differences in Taxes and Public Goods Distort Life Cycle Location Choices," 47–80.

6 Rathbone, "Kansas City and Saint Louis Expense Breakdown Compared to Six Other Cities."

7 The population, education, income, and poverty figures come from each city's QuickFacts page from the U.S. Census Bureau. You can find links to each city's QuickFacts page below:

Denver: <http://quickfacts.census.gov/qfd/states/08/0820000.html>.

Indianapolis: <http://quickfacts.census.gov/qfd/states/18/1836003.html>.

Kansas City: <http://quickfacts.census.gov/qfd/states/29/2938000.html>.

Louisville: <http://quickfacts.census.gov/qfd/states/21/2148006.html>.

Oklahoma City: <http://quickfacts.census.gov/qfd/states/40/4055000.html>.

Omaha: <http://quickfacts.census.gov/qfd/states/31/3137000.html>.

Saint Louis: <http://quickfacts.census.gov/qfd/states/29/2965000.html>.

Saint Louis has lost population from 2000; does that mean the high relative tax burden is to blame?²³ It is certainly possible.

Tulsa: <http://quickfacts.census.gov/qfd/states/40/4075000.html>.

The city structure information for each city can be found below:

Kansas City: <http://kcmo.gov/citymanagersoffice/about/>.

8 The Comprehensive Annual Reports for each city can be found here:

Denver: http://www.denvergov.org/Portals/344/documents/CAFR/2013_CAFR.pdf.

Indianapolis: <http://www.indy.gov/eGov/City/OFM/Documents/2013%20CAFR%20Final.pdf>.

Kansas City: <https://data.kcmo.org/Finance/Comprehensive-Annual-Financial-Report-FY13/suu8-cw86>.

Louisville: <http://www.louisvilleky.gov/NR/rdonlyres/289095C4-F31E-4AD9-AF6F-CA6454AB3161/0/FY2013CAFR.pdf>.

Oklahoma City: http://www.okc.gov/finance_tab/yearenders/2013/CAFR_13.pdf.

Omaha: <http://www.cityofomaha.org/finance/images/stories/Final%20CAFR%202013.pdf>.

Saint Louis: <https://stlouis-mo.gov/government/departments/comptroller/documents/loader.cfm?csModule=security/getfile&pageid=381132>.

Tulsa: : <https://www.cityoftulsa.org/media/349948/2013%20-%20City%20of%20Tulsa%20-%20Comprehensive%20Annual%20Financial%20Report.pdf>.

9 United States Government Accountability Office, “Federal User Fees: A Design Guide.”

10 Ibid.

11 United States Government Accountability Office, “Intergovernmental Revenue.”

12 Each city’s 2013 population can be found on the United States Census Bureau QuickFacts webpage for each city. You can view them online here:

Denver: <http://quickfacts.census.gov/qfd/states/08/0820000.html>.

Indianapolis: <http://quickfacts.census.gov/qfd/states/18/1836003.html>.

Kansas City: <http://quickfacts.census.gov/qfd/states/29/2938000.html>.

Louisville: <http://quickfacts.census.gov/qfd/states/21/2148006.html>.

Oklahoma City: <http://quickfacts.census.gov/qfd/states/40/4050000.html>.

Omaha: <http://quickfacts.census.gov/qfd/states/31/3137000.html>.

Saint Louis: <http://quickfacts.census.gov/qfd/states/29/2965000.html>.

Tulsa: <http://quickfacts.census.gov/qfd/states/40/4075000.html>.

13 The author obtained fee totals from the “Licenses and Permits” line item from each city’s CAFR. There could be other items considered fees by the cities themselves, but for the purposes of simplicity, only the amounts listed in the “Licenses and Permits” line item are used. Also, any other fees would be captured in the other revenue total and thus are not completely ignored in this paper.

14 These amounts were provided to the author via correspondence with the city of Kansas City Finance Department. You can view the correspondence at <https://www.documentcloud.org/documents/1378720-kcmo-licenses-permits-and-franchise-fees.html> and the excel spreadsheet they sent to the author at <https://www.documentcloud.org/documents/1378682-kc-budget-2-0-license-and-fees-kc.html>. In phone conversations with the city of Kansas City, some officials referred to some of the items listed in Table 2 as taxes, while another official called them business license fees. For the purposes of this paper, all items within the “Licenses and Permits” line item are counted as fees. Since the item totals in Table 2 help constitute that line item in the Kansas City CAFR, they are considered fees.

15 It is important again to note that these totals don’t suggest that every resident spends precisely the amounts listed in taxes, but it represents total tax collections divided by the number of people.

16 Each city’s per capita money income can be found on the U.S. Census Bureau QuickFacts

webpage for each city. You can view them online here:

Denver: <http://quickfacts.census.gov/qfd/states/08/0820000.html>.
 Indianapolis: <http://quickfacts.census.gov/qfd/states/18/1836003.html>.
 Kansas City: <http://quickfacts.census.gov/qfd/states/29/2938000.html>.
 Louisville: <http://quickfacts.census.gov/qfd/states/21/2148006.html>.
 Oklahoma City: <http://quickfacts.census.gov/qfd/states/40/4055000.html>.
 Omaha: <http://quickfacts.census.gov/qfd/states/31/3137000.html>.
 Saint Louis: <http://quickfacts.census.gov/qfd/states/29/2965000.html>.
 Tulsa: <http://quickfacts.census.gov/qfd/states/40/4075000.html>.

17 Wall, “New Evidence of the Effects of City Earnings Taxes on Growth.”

18 Arnold, “Do Tax Structures Affect Aggregate Economic Growth?”

19 Miscellaneous taxes include taxes that could not be easily placed in any of the other four categories **and** made up less than 2 percent of city tax income. Items the cities identify as “Other Taxes” on the CAFR are placed here as well as specific items such as “Telephone Taxes” and “Special Assessment Taxes.” However, if a tax makes up less than 2 percent of a city’s tax income but is the same type of tax as levied by another city, it is not included in miscellaneous taxes. For example, Tulsa’s hotel tax makes up less than 2 percent of its tax income, but other cities have hotel taxes too, and they make up more than 2 percent of those cities’ taxable income. Thus, Tulsa’s hotel taxes are counted as sales & use taxes.

20 Fleenor and Chamberlain, “Tax Pyramiding.”

21 Arnold, “Do Tax Structures Affect Aggregate Economic Growth.”

22 Haslag, “How an Earnings Tax Harms Cities Like Saint Louis and Kansas City”; Wall, “New Evidence of the Effects of City Earnings Taxes on Growth.”

23 For more detail on how to eliminate earnings taxes in Missouri and Kansas City, see: Haslag, “How to Replace the Earnings Tax in St. Louis,” and Haslag, “How to Replace the Earnings Tax in Kansas City.”

24 Population of Saint Louis in the year 2000: http://factfinder2.census.gov/bkmk/table/1.0/en/DEC/00_SF1/P001/0500000US08031|1600000US0820000|1600000US1836003|1600000US2938000|1600000US2965000|1600000US3137000|1600000US4055000|1600000US4075000.
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