

Legislative Priorities



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Funding our Municipalities

Pennsylvania's local governments are funded primarily through local property taxes. Although different sources can provide money to a municipality, local government is often struggling to find ways to pay for the many programs and services expected by residents. An operating budget, at a minimum, needs to finance things like public safety, roads, public works, parks and recreation, and city administration. A small municipality's operating budget can range from \$20 million to more than \$500 million. Philadelphia's is more than \$6 billion.

The primary source of income for local government is property taxes. Pennsylvania's local tax structure was designed in 1965. This model no longer meets today's expenses.

Municipalities need more tax options for financing their operations. The League supports expanding taxing options to all municipalities by authorizing an increase in the Local Services Tax to \$156 per year, eliminating the rate cap on the Earned Income Tax, and authorizing the Payroll Tax.

Media Resources:

Media Center Link to written quotes, video sound bites from PA Municipal League Executive Staff pml.org



Staff provide pre-recorded answers to the following questions:

Explain why local property taxes are no longer an adequate source of funding today's municipalities?

What is so expensive about running a municipality?

What would The League like to see the legislature do to provide more effective and stable funding to local government?

What is the Pennsylvania Municipal League?

More Information:

[PA Department of Community & Economic Development Additional Funding for Local Govt.](#)

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