

Comparative Data About Revenue Sources for Murray and Similar Kentucky Cities

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Population of Murray, KY

Residents of Murray

	Count	% Total Pop.
Total Population of Murray	18,375	100%
Population of Murray without Primary Job	12,703	69.13%
Population of Murray with Primary Job	5,672	30.87%
Employed in Murray	2,102	11.44%
Employed Outside Murray	3,570	19.43%

Note: A primary job is the highest paying job for an individual worker for the year. The count of primary jobs is the same as the count of workers.

Impact of a Payroll Tax on Residents of Murray:

- 69% of Murray residents (12,703) are not currently employed
 - This includes children and unemployed adults
- 11% of Murray residents (2,102) are employed inside the city limits
- 19% of Murray residents (3,750) currently work outside of Murray
 - Many of these residents are paying payroll taxes to neighboring communities (e.g. - Benton, Mayfield, Paducah)

SOURCE: U.S. Census Bureau. 2016. OnTheMap Application. Longitudinal-Employer Household Dynamics Program. <http://onthemap.ces.census.gov/>

Tax Rates for Municipalities with Public Universities

KY Public Universities	Payroll Tax	Net Profits Tax	Gross Receipts Tax	Real Property Tax Rate	Insurance Tax Rate \sqcup
Bowling Green	1.85%	1.85%		0.2060%	7.0%
Highland Heights	1.00%		0.350%	0.1650%	10.0%
Morehead	2.50%	2.50%		0.2660%	5.0%
Richmond	2.00%	2.00%		0.1390%	8.0%
Lexington	2.25%	2.25%		0.2538%	5.0%
Louisville	1.45%	1.45%		0.4792%	5.0%
Average All Public Universities	1.84%	2.01%	0.350%	0.2515%	6.7%
Average Regional Universities	1.84%	2.12%	0.350%	0.1940%	7.5%
Murray	0%	0%	0%	0.4260%	9.5%

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Real Property Tax Rates in Murray, KY:

- **69% Higher on average than other KY Cities with all public universities**
- **120% Higher on average than other KY Cities with regional universities**

Insurance Premium Tax Rates in Murray, KY:

- **43% Higher on average than other KY Cities with all public universities**
- **27% Higher on average than other KY Cities with public, regional universities**

\sqcup - Municipalities use various rates per policy-type. For comparative purposes, the 'Fire & Allied Perils' policy rate is included herein.

& - Surrounding County imposes a Payroll and Net Profits or Gross Receipts tax, but the City Workers are exempted (credited) based on the City rates imposed

+ - Combined payroll and net profits taxes are displayed, breakout is listed below:

[City of Morehead Pay and NP 1.5%] + [Rowan County Pay and NP 1.0%] = 2.5%

ϕ - City rates listed for Payroll and Net Profits Taxes are the only applicable rates (no separate County rates)

Tax Rates for Other West Kentucky Municipalities

Other Western Kentucky Cities	Payroll Tax	Net Profits Tax	Gross Receipts Tax	Property Tax Rate	Insurance Tax Rate _u	
Benton	2.00%	1.50%		0.2190%	9.0%	+
Calvert City	2.00%	2.00%		0.2560%	7.0%	+
Henderson	1.00%	1.00%		0.5910%	10.0%	φ
Hopkinsville	1.95%	1.50%		0.2310%	7.5%	φ
Madisonville	1.50%	1.50%		0.1220%	10.0%	φ
Mayfield	2.00%	2.00%		0.2900%	9.0%	&
Owensboro	1.39%	1.39%		0.2593%	8.0%	&
Paducah	2.00%		0.300%	0.2550%	6.0%	@, &
Average	1.73%	1.56%	0.300%	0.2779%	8.3%	
Murray	0%	0%	0%	0.4260%	9.5%	

_u - Municipalities use various rates per policy-type. For comparative purposes, the 'Fire & Allied Perils' policy rate is included herein.

& - Surrounding County imposes a Payroll and Net Profits or Gross Receipts tax, but the City Workers are exempted (credited) based on the City rates imposed

+ - Combined payroll and net profits taxes are displayed, breakout is listed below:

[City of Benton Pay 0.5%]+[Marshall County Pay 1.5%]=2.0% Total

[City of Benton NP 0%]+[Marshall County NP 1.5%]=1.5% Total

[City of Calvert City Pay and NP 0.5%]+[Marshall County Pay and NP 1.5%]=2.0% Total

φ - City rates listed for Payroll and Net Profits Taxes are the only applicable rates (no separate County rates)

@ - Paducah has scaled gross receipts based on business types and receipts level, but the most common rate (Schedule D) is used for comparison purposes

Real Property Tax Rates in Murray, KY:

- **53% Higher on average than other Western Kentucky Cities**

Insurance Premium Tax Rates in Murray, KY:

- **14% Higher on average than other Western Kentucky Cities**

Revenue for Cities with 15,000 to 25,000 Residents

(Part 1 of 4)

KY City	2014 Est. Pop.	Payroll Tax Revenue		Net Profits Revenue		Gross Receipts Revenue		Business License Revenue		Insurance Prem. Revenue		Total Property Tax Revenue		City Vehicle License Revenue		Alcohol Beverage License		Total Tax Revenue	
		\$	\$/Person	\$	\$/Person	\$	\$/Person	\$	\$/Person	\$	\$/Person	\$	\$/Person	\$	\$/Person	\$	\$/Person	\$	\$/Person
Ashland	21,419	\$9,328,812	\$436	\$1,369,252	\$64			\$0	\$0	\$4,012,879	\$187	\$3,570,995	\$167	\$0	\$0	\$647,388	\$30	\$18,929,326	\$884
Danville	16,554	\$4,978,056	\$301	\$770,070	\$47			\$9,875	\$1	\$1,325,884	\$80	\$1,665,528	\$101	\$0	\$0	\$617,105	\$37	\$9,366,518	\$566
Erlanger	18,534	\$5,200,340	\$281			\$1,018,320	\$55	\$0	\$0	\$3,062,029	\$165	\$4,156,524	\$224	\$0	\$0	\$15,760	\$1	\$13,452,973	\$726
Fort Thomas	16,248	\$2,097,038	\$129	\$367,861	\$23			\$0	\$0	\$2,503,714	\$154	\$4,918,071	\$303	\$0	\$0	\$13,863	\$1	\$9,900,547	\$609
Madisonville	19,726	\$6,401,747	\$325	\$1,007,857	\$51			\$0	\$0	\$2,715,449	\$138	\$1,679,611	\$85	\$0	\$0	\$388,388	\$20	\$12,193,052	\$618
Murray	18,475	\$0	\$0	\$0	\$0			\$291,976	\$16	\$1,903,384	\$103	\$3,893,918	\$211	\$772,303	\$42	\$1,022,177	\$55	\$7,883,758	\$427
Newport	15,413	\$5,259,248	\$341			\$1,632,448	\$106	\$212,109	\$14	\$2,981,708	\$193	\$3,987,632	\$259	\$0	\$0	\$303,208	\$20	\$14,376,353	\$933
Paducah	24,987	\$17,891,789	\$716			\$4,647,359	\$186	\$0	\$0	\$3,831,792	\$153	\$5,516,526	\$221	\$0	\$0	\$143,660	\$6	\$32,031,126	\$1,282
Radcliff	23,093	\$3,010,593	\$130			\$1,054,861	\$46	\$0	\$0	\$2,495,966	\$108	\$1,914,043	\$83	\$0	\$0	\$29,800	\$1	\$8,505,263	\$368
Saint Matthews	17,841	\$6,543,447	\$367			\$534,563	\$30	\$0	\$0	\$1,786,027	\$100	\$2,274,704	\$127	\$0	\$0	\$34,747	\$2	\$11,173,488	\$626
Shively	15,584	\$2,493,118	\$160	\$522,842	\$34			\$7,450	\$0	\$1,869,641	\$120	\$2,676,967	\$172	\$0	\$0	\$713,987	\$46	\$8,284,005	\$532
Winchester	18,366	\$7,546,047	\$411	\$0	\$0			\$328,876	\$18	\$2,090,294	\$114	\$2,194,368	\$119	\$0	\$0	\$0	\$0	\$12,159,585	\$662

This table displays all GF revenue sources for KY cities with population of 15,000 to 25,000. The table is displayed in 3 parts in the following slides.

Note 1: Alcohol Beverage License revenue funds are included in the calculation of the entire revenue generated, but the funds are statutorily restricted for reimbursement of the city for the estimated costs for any additional policing, regulatory, or administrative related expenses.

Note 2: This table excludes the Transient Room Taxes levied by the City of Murray, as these funds are a strict pass through to the Murray Convention and Visitors' Bureau and do not impact the City's General Fund. For informational purposes, the FY2014 CVB revenues in Murray, KY were \$242,155.

SOURCE: Kentucky League of Cities. 2016. Uniform Financial Information Reports (UFIRs). FY 2014.

Revenue for Cities with 15,000 to 25,000 Residents (Part 2 of 4)

KY City	2014 Est. Pop.	Payroll Tax Revenue		Net Profits Revenue		Gross Receipts Revenue		Business License Revenue	
		\$	\$/Person	\$	\$/Person	\$	\$/Person	\$	\$/Person
Ashland	21,419	\$9,328,812	\$436	\$1,369,252	\$64			\$0	\$0
Danville	16,554	\$4,978,056	\$301	\$770,070	\$47			\$9,875	\$1
Erlanger	18,534	\$5,200,340	\$281			\$1,018,320	\$55	\$0	\$0
Fort Thomas	16,248	\$2,097,038	\$129	\$367,861	\$23			\$0	\$0
Madisonville	19,726	\$6,401,747	\$325	\$1,007,857	\$51			\$0	\$0
Murray	18,475	\$0	\$0	\$0	\$0			\$291,976	\$16
Newport	15,413	\$5,259,248	\$341			\$1,632,448	\$106	\$212,109	\$14
Paducah	24,987	\$17,891,789	\$716			\$4,647,359	\$186	\$0	\$0
Radcliff	23,093	\$3,010,593	\$130			\$1,054,861	\$46	\$0	\$0
Saint Matthews	17,841	\$6,543,447	\$367			\$534,563	\$30	\$0	\$0
Shively	15,584	\$2,493,118	\$160	\$522,842	\$34			\$7,450	\$0
Winchester	18,366	\$7,546,047	\$411	\$0	\$0			\$328,876	\$18

Note: Business licenses typically would be required for continued administration, but business license fees would likely be deductible from any Net Profit or Gross Receipts tax levied.

Payroll and Net Profit/Gross Receipts Tax Discussion:

- Of peer group examined, Murray is the **only** city with no such taxes
- For similar cities, a significant portion of revenue is derived from business activity
 - Average Total Revenue from Payroll Tax = 47%
 - Average Total Revenue from Net Profits Tax = 6%
 - Average Total Revenue from Gross Receipts Tax = 11%

SOURCE: Kentucky League of Cities. 2016. Uniform Financial Information Reports (UFIRs). FY 2014.

Revenue for Cities with 15,000 to 25,000 Residents (Part 3 of 4)

KY City	2014 Est. Pop.	Insurance Prem. Revenue		Total Property Tax Revenue		City Vehicle License Revenue		Alcohol Beverage License	
		\$	\$/Person	\$	\$/Person	\$	\$/Person	\$	\$/Person
Ashland	21,419	\$4,012,879	\$187	\$3,570,995	\$167	\$0	\$0	\$647,388	\$30
Danville	16,554	\$1,325,884	\$80	\$1,665,528	\$101	\$0	\$0	\$617,105	\$37
Erlanger	18,534	\$3,062,029	\$165	\$4,156,524	\$224	\$0	\$0	\$15,760	\$1
Fort Thomas	16,248	\$2,503,714	\$154	\$4,918,071	\$303	\$0	\$0	\$13,863	\$1
Madisonville	19,726	\$2,715,449	\$138	\$1,679,611	\$85	\$0	\$0	\$388,388	\$20
Murray	18,475	\$1,903,384	\$103	\$3,893,918	\$211	\$772,303	\$42	\$1,022,177	\$55
Newport	15,413	\$2,981,708	\$193	\$3,987,632	\$259	\$0	\$0	\$303,208	\$20
Paducah	24,987	\$3,831,792	\$153	\$5,516,526	\$221	\$0	\$0	\$143,660	\$6
Radcliff	23,093	\$2,495,966	\$108	\$1,914,043	\$83	\$0	\$0	\$29,800	\$1
Saint Matthews	17,841	\$1,786,027	\$100	\$2,274,704	\$127	\$0	\$0	\$34,747	\$2
Shively	15,584	\$1,869,641	\$120	\$2,676,967	\$172	\$0	\$0	\$713,987	\$46
Winchester	18,366	\$2,090,294	\$114	\$2,194,368	\$119	\$0	\$0	\$0	\$0

Note 1: Alcohol Beverage License revenue funds are included in the calculation of the entire revenue generated, but the funds are statutorily restricted for reimbursement of the city for the estimated costs for any additional policing, regulatory, or administrative related expenses.

Note 2: This table excludes the Transient Room Taxes levied by the City of Murray, as these funds are a strict pass through to the Murray Convention and Visitors' Bureau and do not impact the City's General Fund. For informational purposes, the FY2014 CVB revenues in Murray, KY were \$242,155.

SOURCE: Kentucky League of Cities. 2016. Uniform Financial Information Reports (UFIRs). FY 2014.

	Total Property Tax Revenue	
	\$	\$/Person
Mean:	\$3,141,361	\$169
Median:	2,676,967	167
Min:	1,665,528	83
Murray:	\$3,893,918	\$211

Revenue for Cities with 15,000 to 25,000 Residents (Part 4 of 4)

KY City	2014 Est. Pop.	Total Tax Revenue	
		\$	\$/Person
Ashland	21,419	\$18,929,326	\$884
Danville	16,554	\$9,366,518	\$566
Erlanger	18,534	\$13,452,973	\$726
Fort Thomas	16,248	\$9,900,547	\$609
Madisonville	19,726	\$12,193,052	\$618
Murray	18,475	\$7,883,758	\$427
Newport	15,413	\$14,376,353	\$933
Paducah	24,987	\$32,031,126	\$1,282
Radcliff	23,093	\$8,505,263	\$368
Saint Matthews	17,841	\$11,173,488	\$626
Shively	15,584	\$8,284,005	\$532
Winchester	18,366	\$12,159,585	\$662

	Total Tax Revenue	
	\$	\$/Person
Mean:	\$13,670,203	\$710
Median:	12,159,585	626
Min:	8,284,005	368
Murray:	\$7,883,758	\$427

- **Murray generates the lowest total revenue of any city similar size city in Kentucky (42% below average)**
- **Murray's total revenue generated per person is second lowest (40% below average) for any similar-size city (Radcliff is lowest)**
- **This total includes all ABC funds, despite the statutory restrictions on those funds**

Murray, KY Residential Tax Profile

- Substantially higher Property Tax Rates than similar cities
- Substantially higher Insurance Premiums Tax Rate than similar cities
- Only city in Kentucky with a population over 15,000 which requires City Stickers
 - Second Largest City currently utilizing City Sticker is Princeton, KY in Caldwell County
 - 2014 Est. Population of Princeton was 6,229 (Murray = 18,475)
 - FY2014 City Sticker revenue in Princeton was \$29,952 (Murray = \$772,303)

SOURCE: Compiled by the Kentucky League of Cities. 2016.

SOURCE: Kentucky League of Cities. 2016. Uniform Financial Information Reports (UFIRs). FY 2014.

Murray, KY Employment Tax Profile

Employees in Murray

	Count	
Total Employees (Primary Jobs) in Murray	9,326	
Murray Employees Who Reside in Murray	2,102	23%
Murray Employees Who Reside Outside Murray	7,224	77%

What do these employees pay?

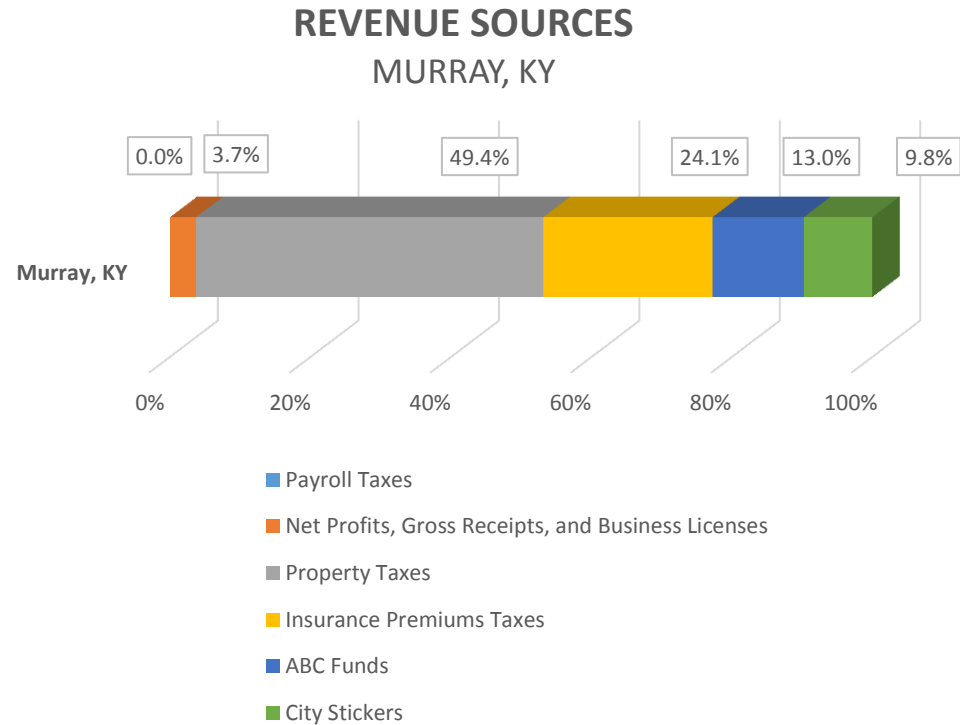
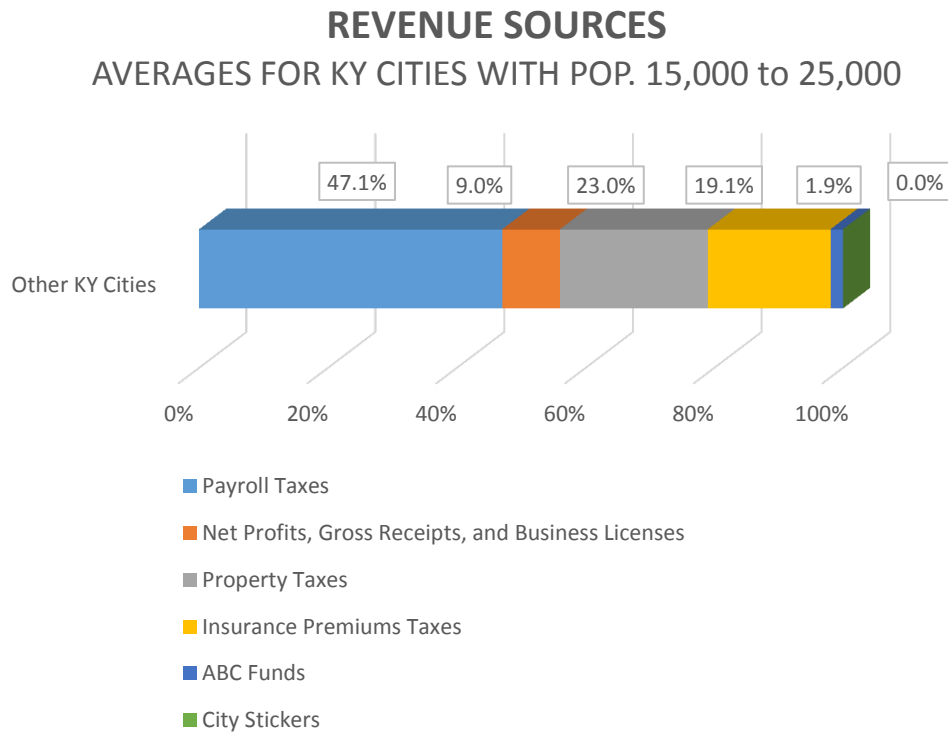
\$50 per year per vehicle used

Note: A primary job is the highest paying job for an individual worker for the year. The count of primary jobs is the same as the count of workers.

- Murray is the only city in their peer group with no payroll tax, net profits tax, or gross receipts tax
- On average, similar size cities derive 47% of their total revenue from payroll taxes
- On average, similar size cities derive 9% of their total revenue based on business activity (net profits, gross receipts, and/or business licenses)

Assuming that every non-resident worker each bought one city sticker, this would generate less than 5% of the City's total annual revenue...

Conclusion: *Compared to similar cities across Kentucky, the revenue model in Murray, KY is disproportionately allocated toward residents and property owners*



SOURCE: Kentucky League of Cities. 2016. Uniform Financial Information Reports (UFIRs). FY 2014.