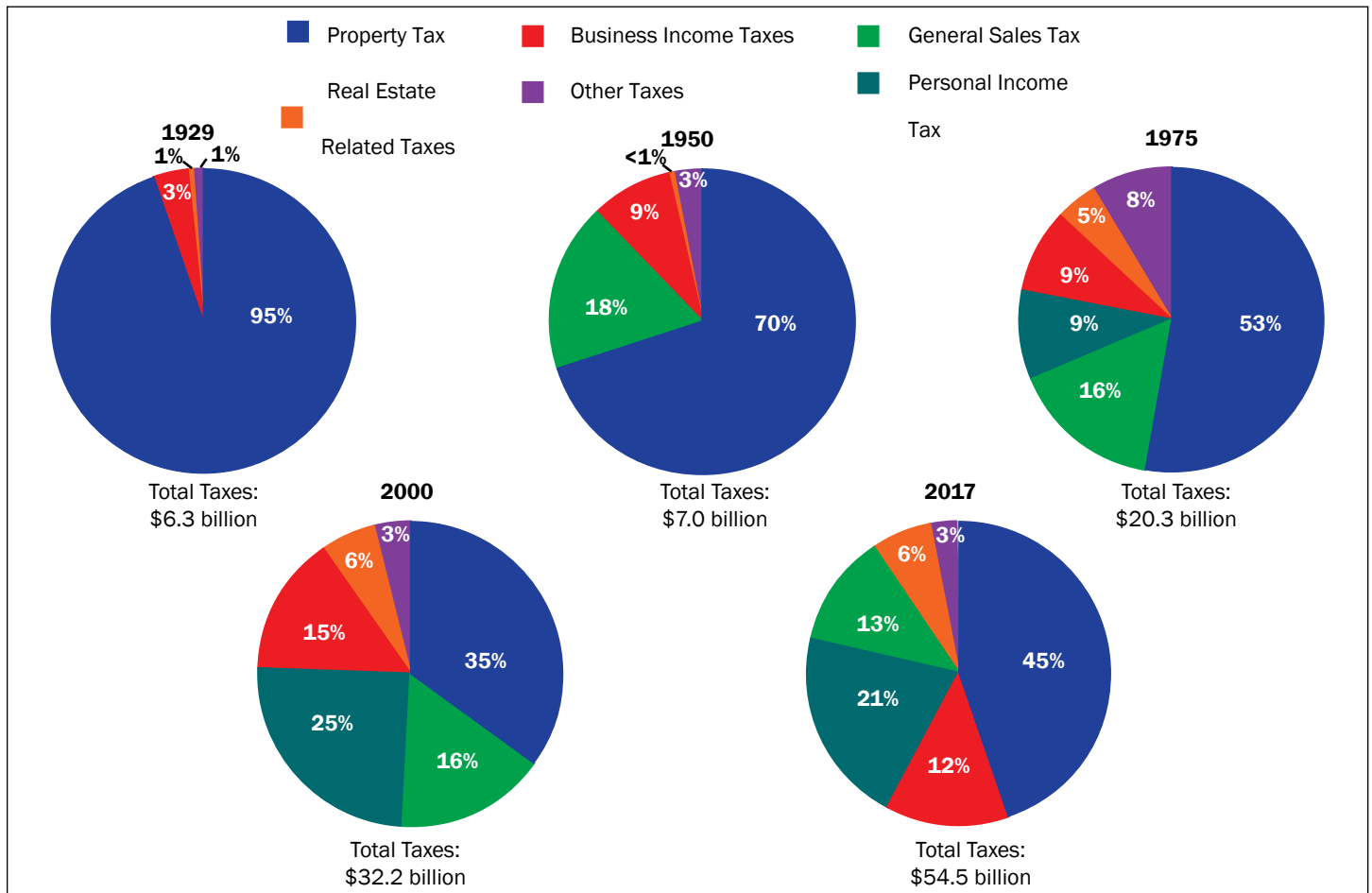


How Has the Mix of Taxes Collected by New York City Changed Over the Years?

New York City collects a mix of taxes that looks much more like those of a state than the typical U.S. city. Today the city relies on personal income taxes, business income taxes, taxes related to real estate transactions, and a slew of targeted excise and other taxes, along with the more traditional property and sales taxes. But it was not always so. How did we get here? In the pie charts below we can trace the transformation of the city's tax mix from the cusp of the Great Depression in 1929 to the present day. (For more details see our recently released [historical tables](#) on New York City tax effort.)



For our interactive chart covering each year from 1929 through 2017, click [here](#).

- At the start of the Great Depression New York City relied on property taxes for 95 percent of its tax revenue.
- In 1935, New York City became the first U.S. municipality to enact a general sales tax. By the 1950s and early 1960s, the sales tax generated around a fifth of total city tax revenue, with a peak share of 23.9 percent in 1953.
- In 1967, New York City replaced its business gross receipts taxes with business income taxes and established a personal income tax. The real property tax share of total city tax revenue fell below 60 percent.
- Rates on income and real-estate related taxes were increased in the 1970s and collections were buoyed by economic growth in the 1980s. The property tax share of city tax revenue dropped below 50 percent in 1979 and dipped under 40 percent for the first time in 1987. Over the next two decades, the property tax share ebbed when the city economy was strong and rose when the economy was weak.
- Meanwhile, the personal income tax share of city tax revenue has generally topped 20 percent since 1995, peaking at 25.9 percent in 1999.
- In 2007, the property tax accounted for its lowest-ever share of city tax revenue (34.5 percent), while the shares of business income taxes (18.6 percent) and real estate-related taxes—the mortgage recording, property transfer and commercial rent taxes, hit all-time highs (together 10.3 percent).
- In contrast to earlier periods, the property tax share has been rising over the current economic expansion. By 2017, the property tax accounted for 44.9 percent of total city tax revenue, the highest proportion in a quarter of a century.

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New York City Independent Budget Office

SOURCE: IBO analysis of New York City Comptroller Comprehensive Annual Financial Reports

NOTE: In 2017 dollars.