

Local Government Revenues in Jefferson County – an overview

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Merger Review Commission – Tax Committee

EXECUTIVE SUMMARY: April 14, 2023

EXECUTIVE SUMMARY

Objective: allocate the \$2+ billion in local government revenues to jurisdictions of payers

Primary revenues: occupational, net profits, property, and insurance premiums taxes; charges and fees, state road fund sharing, and other intergovernmental funds

Jurisdictions: Metro Government (countywide), Urban Services District, Suburban Cities, Suburban Fire/EMS Departments, unincorporated area

Data Sources: DLG-UFIR, PVA, Sheriff, County Clerk, Revenue Commission – we thank you

Complexities: No administrative data on occupational taxes by place of residence

Several cities did not file their UFIR reports

Countywide agencies (LWC, MSD, TARC,...) included in Metro finances

Results based on a mixture of accounting data, and estimates using proxies

EXECUTIVE SUMMARY

Stuff you may or may not know:

Stacking of property and occupational taxes. For example, real property owners in the USD also pay the countywide property tax; employees in Jeffersontown pay their 1% occupational tax, plus the 1.25% County tax and the 0.20% TARC tax.

Suburban cities all levy an insurance premiums tax, most at 5%; however, 15 have rates above 5%, and 38 also tax health insurance premiums.

Public schools receive as much in local taxes (\$840 million) as all the other jurisdictions combined.

All of Jefferson County disadvantaged by KY road fund revenue sharing formula.

600+ HOAs, most providing some municipal-like services (garbage, street lighting).

Population 2020

**Urban Services
District: 246,000**

**Suburban Cities:
150,000**

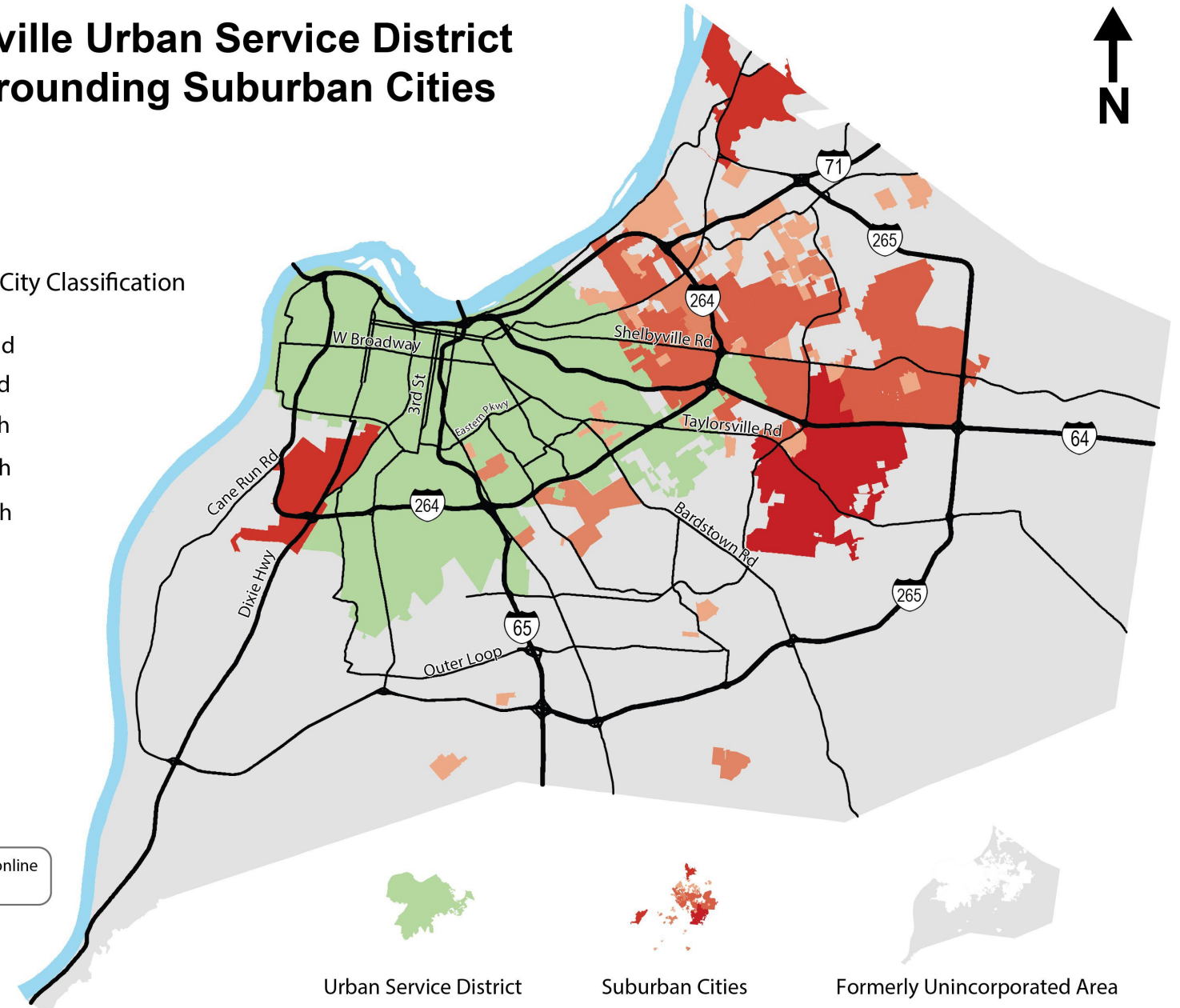
**Unincorporated
Area: 387,000**

Louisville Urban Service District & Surrounding Suburban Cities

Suburban City Classification



Source: LOJIC's online geodatabase



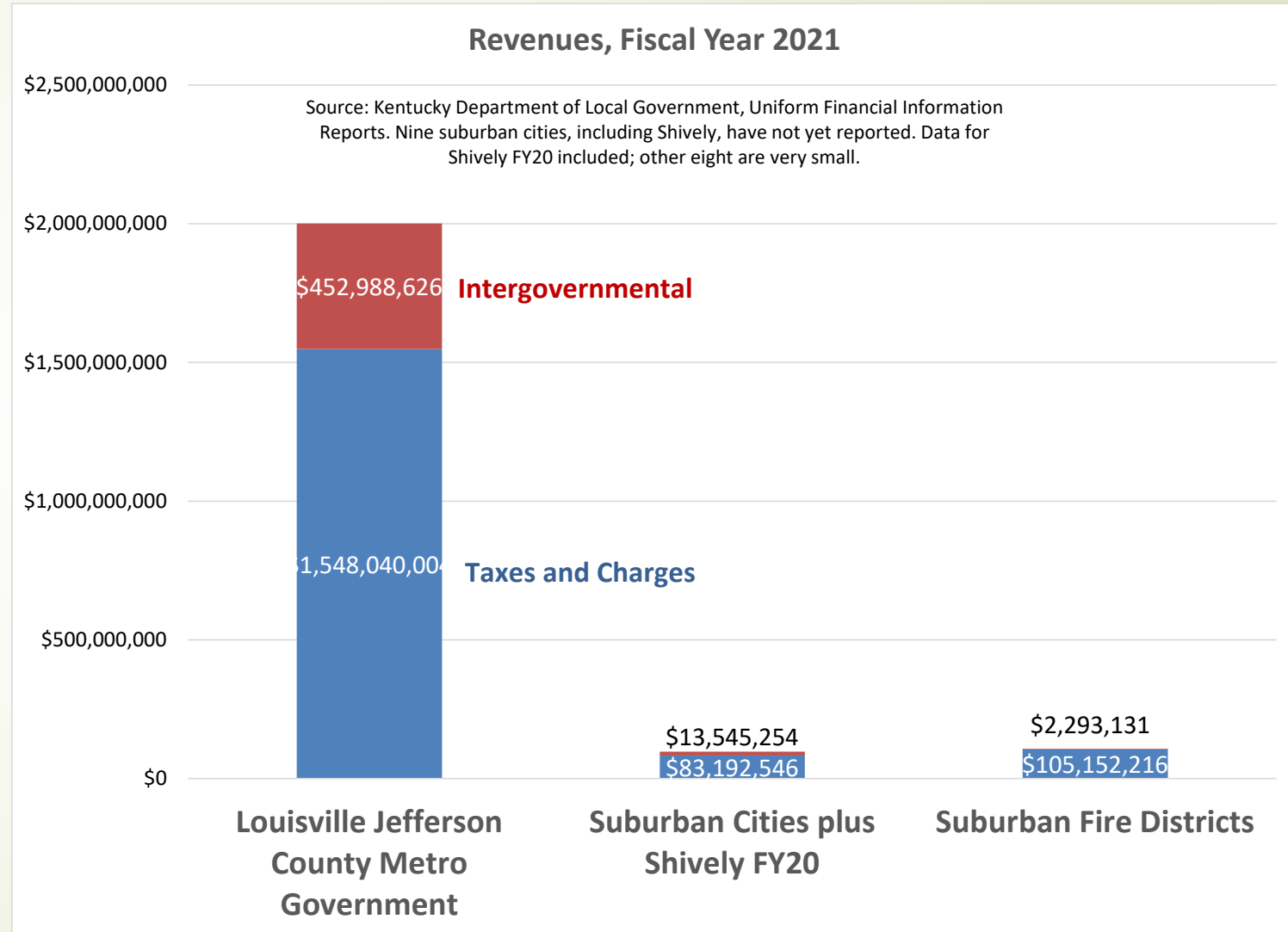
EXECUTIVE SUMMARY

Total of \$2.2 billion.

Metro Government revenues are 20 times the combined amount of suburban city revenues.

Metro revenues here include \$202 million in water charges, \$329 million, in sewerage charges, \$99 million in TARC taxes, fares, and federal/state subsidies, plus tens of millions in federal and state funds.

Suburban fire district revenues are greater than suburban cities revenues.



MATRIX OF ESTIMATED RESULTS

Sources of Revenue to Local Government in Jefferson County, FY21 or Latest Available							
<i>Receiving Jurisdictions</i>							
		Metro Government (County-wide)	Urban Services District	Suburban Cities	Unincorporated	Suburban Fire Districts	Total
<i>population</i>		783,000	246,000	150,000	387,000	534,000	
<i>Jurisdiction of Payer</i>	Urban Services District	\$416,987,346	\$82,603,849	\$5,413,011	\$0	\$12,239	\$505,004,206
	Suburban Cities	\$287,930,849	\$0	\$59,609,107	\$0	\$32,857,473	\$347,539,956
	Unincorporated	\$695,289,686	\$0	\$9,912,906	\$0	\$71,910,147	\$705,202,592
	Outside the County	\$580,520,785	\$0	\$23,720,318	\$0	\$2,293,131	\$604,241,103
	Total	\$1,980,728,666	\$82,603,849	\$98,655,342	\$0	\$107,072,990	\$2,161,987,857

For example, we estimate that \$288 million in Metro Government revenues were generated by property located in, insured in, and workers residing in, the 83 suburban cities.

'Outside the County' includes federal and state funds, plus an estimate of occupational taxes paid by nonresidents.