

## How Towns Get Their Money

### Words to Know:

Budget – A plan that tells how much money a town receives and how much money a town spends. Town budgets show all of the revenues and the expenditures.

Revenues – Where towns get money

Expenditures – Items that cost towns money

### Some of the revenues for a town include:

- Utility Fees – Each month, citizens pay the town money to use water, gas, and electricity in their homes, schools, stores, and businesses
- User Fees – People pay money to use the facilities the town owns. Some of these facilities include swimming pools and golf courses.
- Property Taxes – Everyone who owns property pays taxes on how much the property is worth. For example, people who own expensive houses pay more than people who own less expensive houses. Other property includes land and buildings.
- Sales Taxes – Everyone who buys things in a town pays a little extra money to the city. For example, a tee shirt might cost \$10.00. If you buy it, you pay a few cents extra for the tax.
- Federal Grants – A town can receive money from the United States government for special projects to help people in a town. For example, the money might be used to build low cost housing for low income families.
- Street Taxes – Companies and businesses that use the city streets pay the town money. Some of these companies include taxicabs and cable television.

- Hotel taxes – People who stay in hotels and motels pay a tax on the cost of their room.