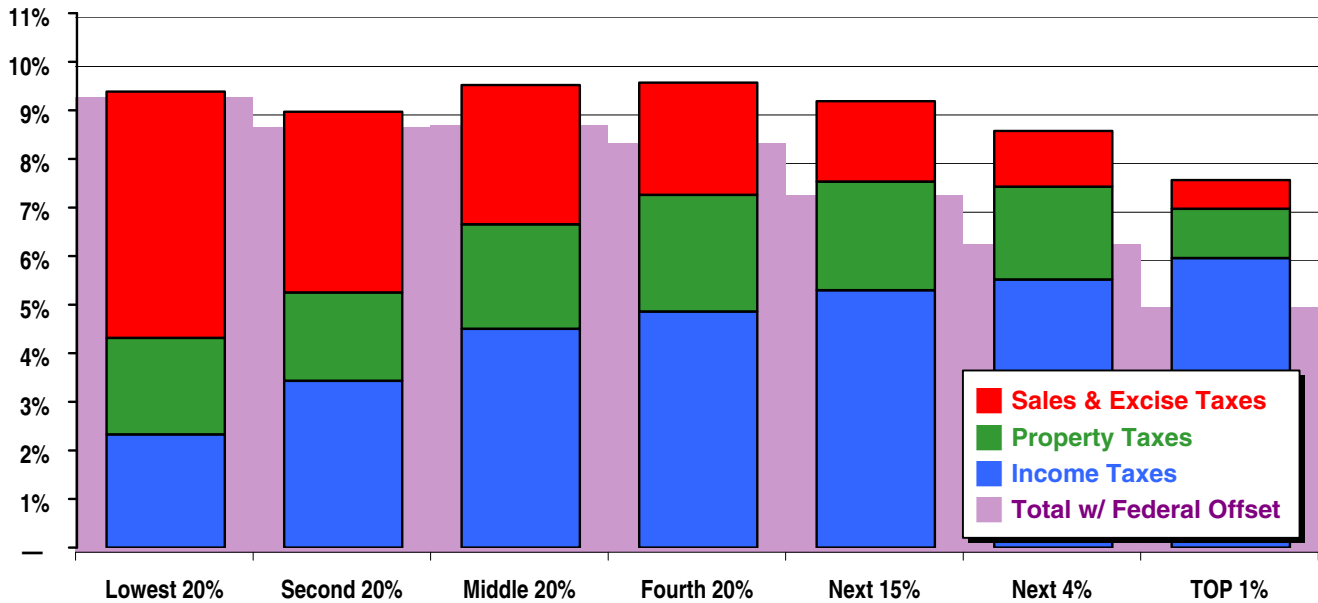


# Maryland

## State & Local Taxes in 2002

Shares of family income for non-elderly taxpayers



Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
Income Range	Less than \$19,000	\$19,000 – \$33,000	\$33,000 – \$51,000	\$51,000 – \$84,000	\$84,000 – \$160,000	\$160,000 – \$301,000	\$301,000 or more
Average Income in Group	\$10,900	\$25,400	\$41,400	\$66,400	\$111,300	\$211,000	\$1,106,000
<b>Sales &amp; Excise Taxes</b>	<b>5.1%</b>	<b>3.7%</b>	<b>2.9%</b>	<b>2.3%</b>	<b>1.7%</b>	<b>1.2%</b>	<b>0.6%</b>
General Sales—Individuals	2.0%	1.6%	1.3%	1.1%	0.9%	0.6%	0.3%
Other Sales & Excise—Ind.	1.6%	1.0%	0.7%	0.5%	0.3%	0.2%	0.1%
Sales & Excise on Business	1.5%	1.1%	0.8%	0.6%	0.5%	0.3%	0.2%
<b>Property Taxes</b>	<b>2.0%</b>	<b>1.8%</b>	<b>2.1%</b>	<b>2.4%</b>	<b>2.2%</b>	<b>1.9%</b>	<b>1.0%</b>
Property Taxes on Families	2.0%	1.8%	2.1%	2.3%	2.1%	1.8%	0.7%
Other Property Taxes	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.3%
<b>Income Taxes</b>	<b>2.3%</b>	<b>3.4%</b>	<b>4.5%</b>	<b>4.9%</b>	<b>5.3%</b>	<b>5.5%</b>	<b>6.0%</b>
Personal Income Tax	2.3%	3.4%	4.5%	4.8%	5.3%	5.5%	5.8%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
<b>TOTAL TAXES</b>	<b>9.4%</b>	<b>9.0%</b>	<b>9.5%</b>	<b>9.6%</b>	<b>9.2%</b>	<b>8.6%</b>	<b>7.6%</b>
Federal Deduction Offset	-0.0%	-0.2%	-0.7%	-1.2%	-1.8%	-2.2%	-2.5%
<b>TOTAL AFTER OFFSET</b>	<b>9.4%</b>	<b>8.8%</b>	<b>8.8%</b>	<b>8.4%</b>	<b>7.3%</b>	<b>6.3%</b>	<b>5.1%</b>

Note: Table shows 2002 tax law at 2000 income levels.

# Maryland Details

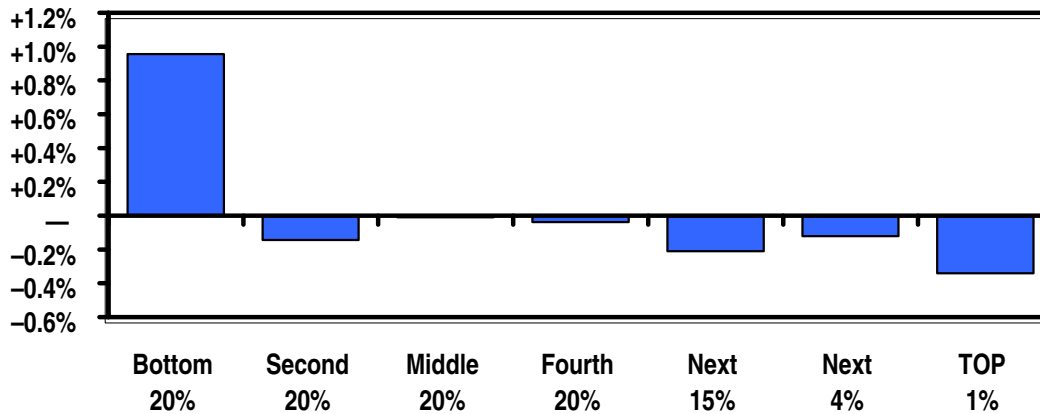
## Progressive Features

- ✓ Partially Refundable EITC
- ✓ Low Income Credits
- ✓ No sales tax on food
- ✓ Low reliance on sales tax

## Regressive Features

- ✗ Virtually flat rate income tax
- ✗ Exemptions and deductions not indexed
- ✗
- ✗

Changes in Tax as Share of Income, 1989 - 2002

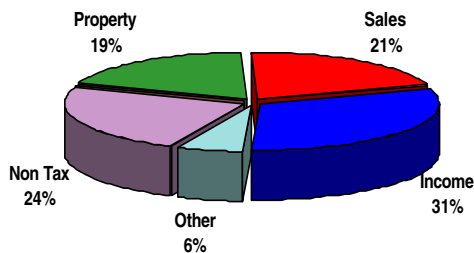


	Bottom 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	TOP 1%
<b>Sales &amp; Excise</b>	+1.0%	+0.4%	+0.3%	+0.2%	+0.1%	+0.1%	+0.0%
<b>Property</b>	+0.4%	+0.2%	+0.3%	+0.2%	-0.3%	-0.4%	-0.2%
<b>Income</b>	-0.4%	-0.7%	-0.2%	-0.2%	-0.0%	+0.2%	+0.6%
<b>Federal Offset</b>	-0.0%	-0.1%	-0.3%	-0.1%	+0.0%	-0.0%	-0.8%
<b>Overall Change</b>	+1.0%	-0.1%	-0.0%	-0.0%	-0.2%	-0.1%	-0.3%

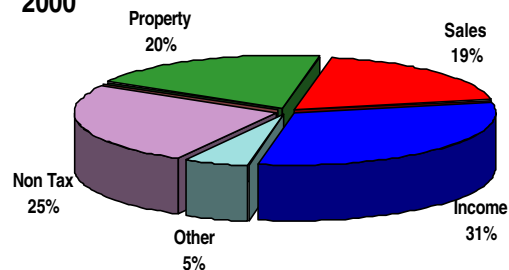
Progressive income tax changes were countered by regressive hikes in excise taxes. New credits, including a refundable EITC, a poverty credit and a child care credit, an increase in the personal exemption, the elimination of the 40% exclusion of capital gains, and a lowering of top rate (incurred by 78% of Marylanders) meant progressive income tax cuts for all but the highest earners. However, hikes in excise taxes completely offset these positive income tax changes for most.

## Composition of Revenues

1989



2000



Source: Government Finances, US Department of Census