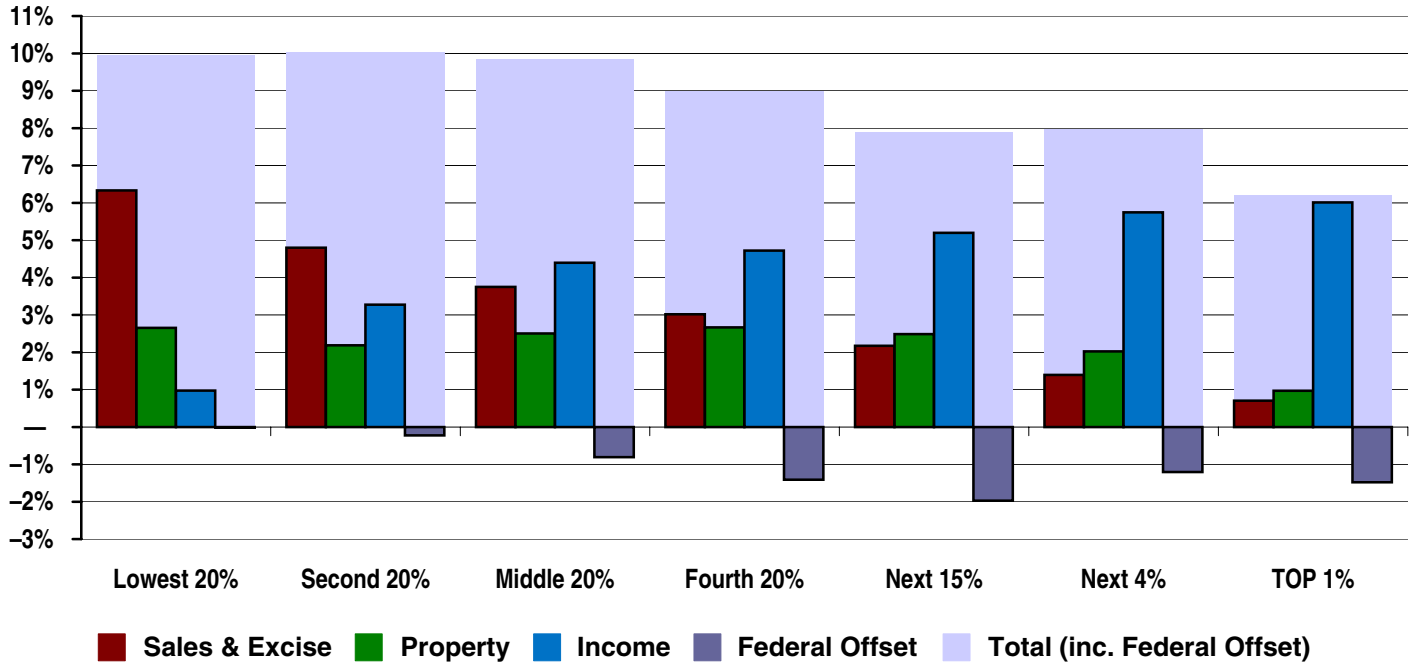
Maryland

State & Local Taxes in 2007

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 $22,000	$22,000 – $41,000	$41,000 – $64,000	$64,000 – $107,000	$107,000 – $209,000	$209,000 – $476,000	$476,000 or more
Average Income in Group	$12,100	$31,500	$51,500	$83,000	$143,400	$305,600	$1,848,200
Sales & Excise Taxes	**6.3%**	**4.8%**	**3.8%**	**3.0%**	**2.2%**	**1.4%**	**0.7%**
General Sales—Individuals	2.6%	2.2%	1.8%	1.6%	1.2%	0.8%	0.4%
Other Sales & Excise—Ind.	1.8%	1.2%	0.8%	0.6%	0.4%	0.2%	0.1%
Sales & Excise on Business	2.0%	1.5%	1.1%	0.9%	0.6%	0.4%	0.2%
Property Taxes	**2.7%**	**2.2%**	**2.5%**	**2.7%**	**2.5%**	**2.0%**	**1.0%**
Property Taxes on Families	2.6%	2.2%	2.5%	2.6%	2.4%	1.9%	0.5%
Other Property Taxes	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.5%
Income Taxes	**1.0%**	**3.3%**	**4.4%**	**4.7%**	**5.2%**	**5.7%**	**6.0%**
Personal Income Tax	1.0%	3.3%	4.4%	4.7%	5.2%	5.7%	5.8%
Corporate Income Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%
TOTAL TAXES	**10.0%**	**10.3%**	**10.7%**	**10.4%**	**9.9%**	**9.2%**	**7.7%**
Federal Deduction Offset	–0.0%	–0.2%	–0.8%	–1.4%	–2.0%	–1.2%	–1.5%
TOTAL AFTER OFFSET	**9.9%**	**10.0%**	**9.8%**	**9.0%**	**7.9%**	**8.0%**	**6.2%**

Note: Table shows 2007 tax law updated to reflect permanent changes in law enacted through October 2009.

Maryland

State & Local Taxes

Features, Developments, and Comparisons

Progressive Features

- ✔ Income tax uses a graduated rate structure
- ✔ Provides a partially refundable earned income tax credit (EITC)
- ✔ Sales tax base excludes groceries

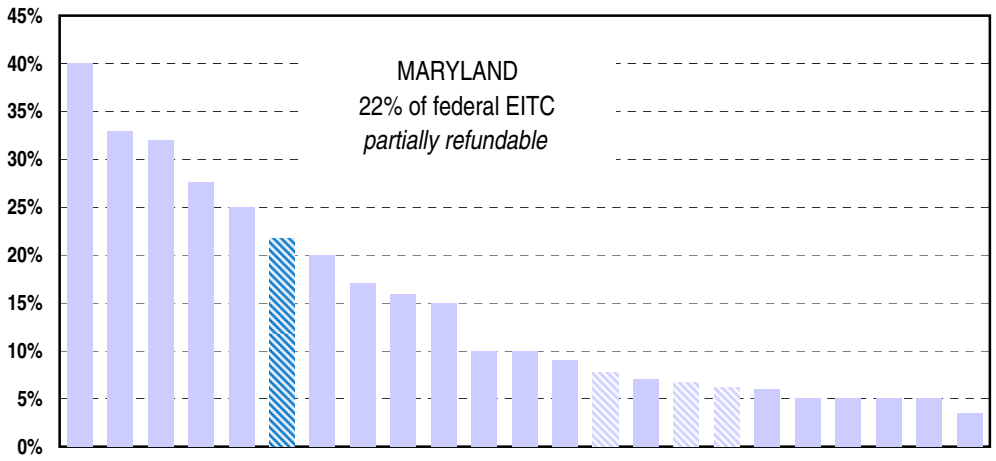
Regressive Features

- ✘ Fails to index income tax provisions to inflation
- ✘ Fails to use combined reporting as part of its corporate income tax

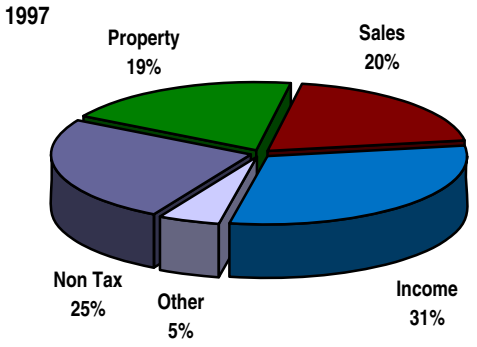
Recent Developments

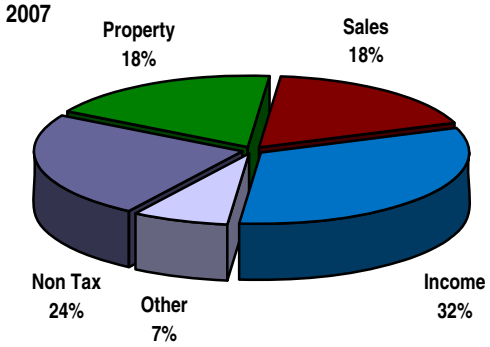
- ▲ Created three new permanent (and one temporary) top income tax brackets, increased the personal exemption for low-income taxpayers, and expanded eligibility for its refundable EITC
- ▲ Raised sales and corporate income tax rates

Effective State Earned Income Tax Credit (EITC) Rates



Change in the Composition of Revenue





Source: U.S. Census Bureau, Government Finances