
Maryland Economy and General Fund Revenues

**Presentation to the
Senate Budget and Taxation Committee**

**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland**

July 8, 2008

Maryland Economy: 2005 to 2007

Year-over-year % Change	CY 2005 Actual	CY 2006 Actual	CY 2007 Actual
Employment	1.5%	1.3%	0.8%
Initial Unemployment Insurance Claims ⁽¹⁾	-6.1%	-3.1%	9.4%
Personal Income	5.5%	5.7%	5.4%
Wage and Salary Income	5.7%	5.4%	5.1%
Vehicle Sales	-0.2%	-2.6%	-3.6%
Existing Home Sales	0.3%	-20.9%	-23.1%
Sales Tax ⁽²⁾	7.1%	5.0%	1.5%

(1) Initial weekly claims for unemployment insurance filed in Maryland.

(2) Gross receipts (exc. assessments); January 2005 through June 2006 adjusted for lower vendor credit. August 2006 adjusted for tax-free week.

Maryland Economy: 2008 vs. 2007

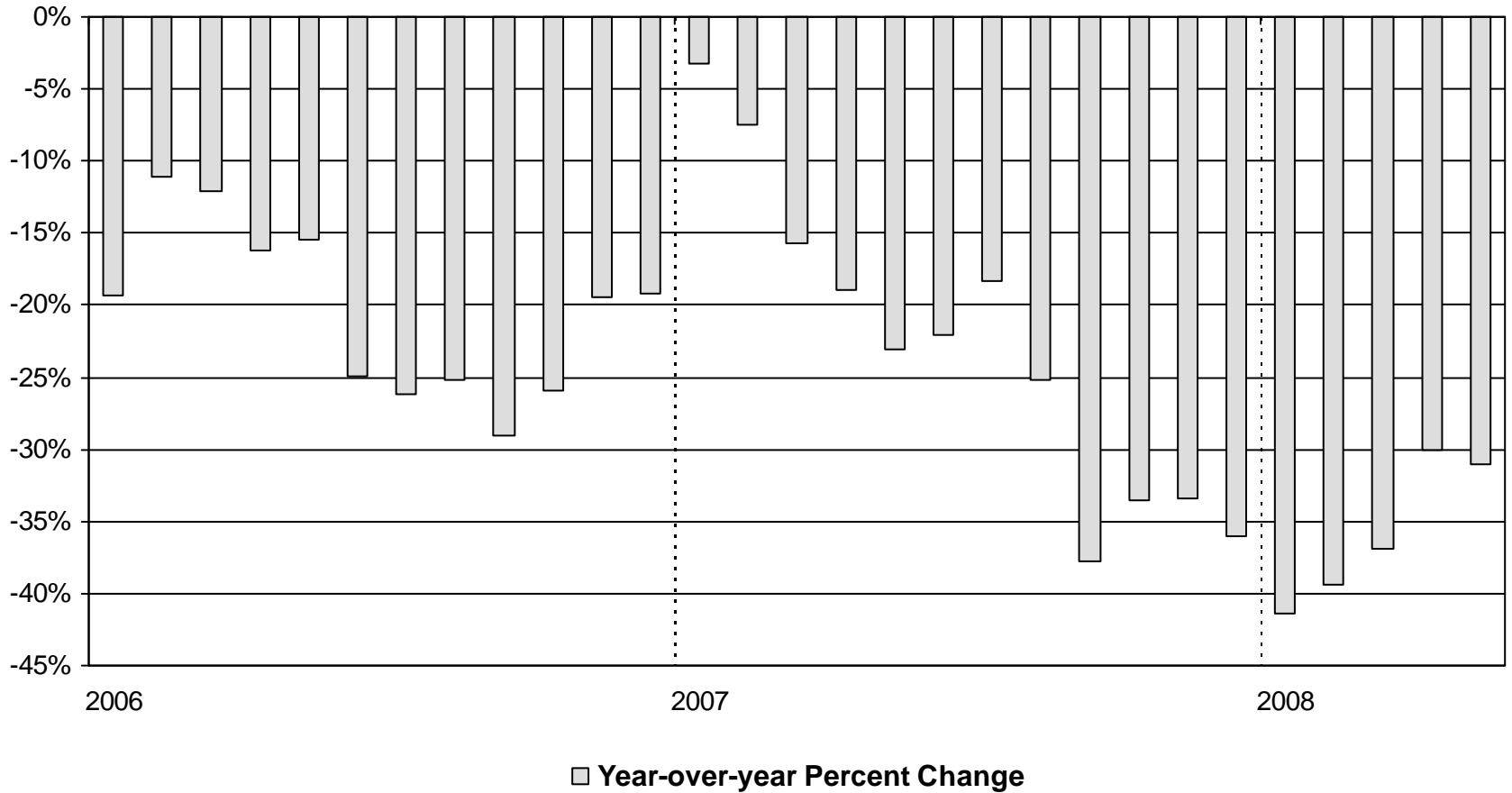
Year-over-year % Change	CY 2007 Actual	CY 2008 Year-to-date	2008 Notes
Employment ⁽¹⁾	0.8%	1.1%	January-May
Initial Unemployment Insurance Claims ⁽²⁾	9.4%	18.3%	January-May
Personal Income	5.4%	4.6%	January-March
Wage and Salary Income	5.1%	4.4%	January-March
Vehicle Sales	-3.6%	-8.0%	January-May
Existing Home Sales	-23.1%	-35.3%	January-May
Sales Tax ⁽³⁾	1.5%	-1.1%	January-April

(1) Using non-seasonally adjusted data.

(2) Initial weekly claims for unemployment insurance filed in Maryland (non-seasonally adjusted monthly data)

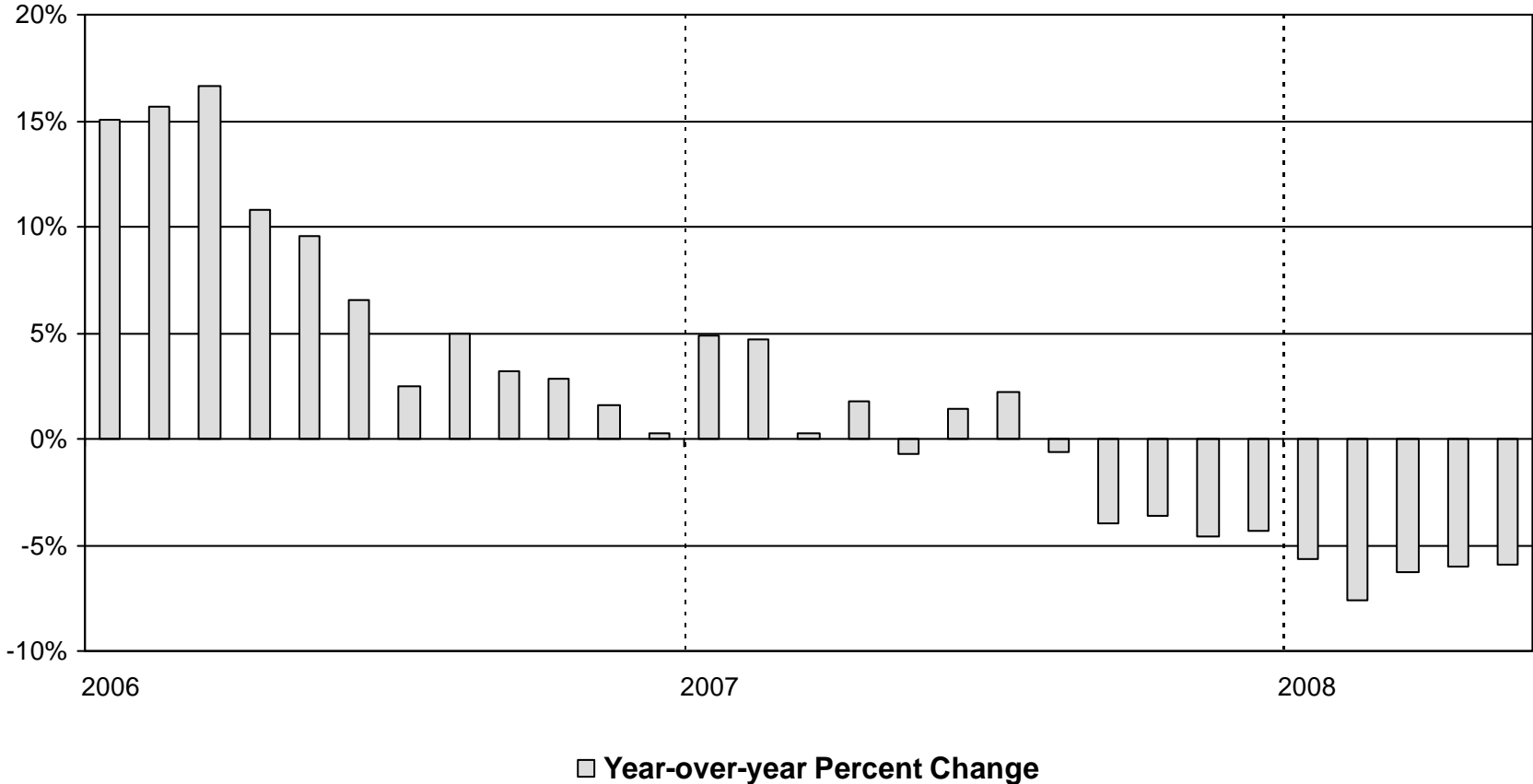
(3) Gross receipts (excludes assessments). 2008 excluding law changes. With law changes, total receipts are up 17.9 percent.

Maryland Existing Home Sales January 2006 – May 2008



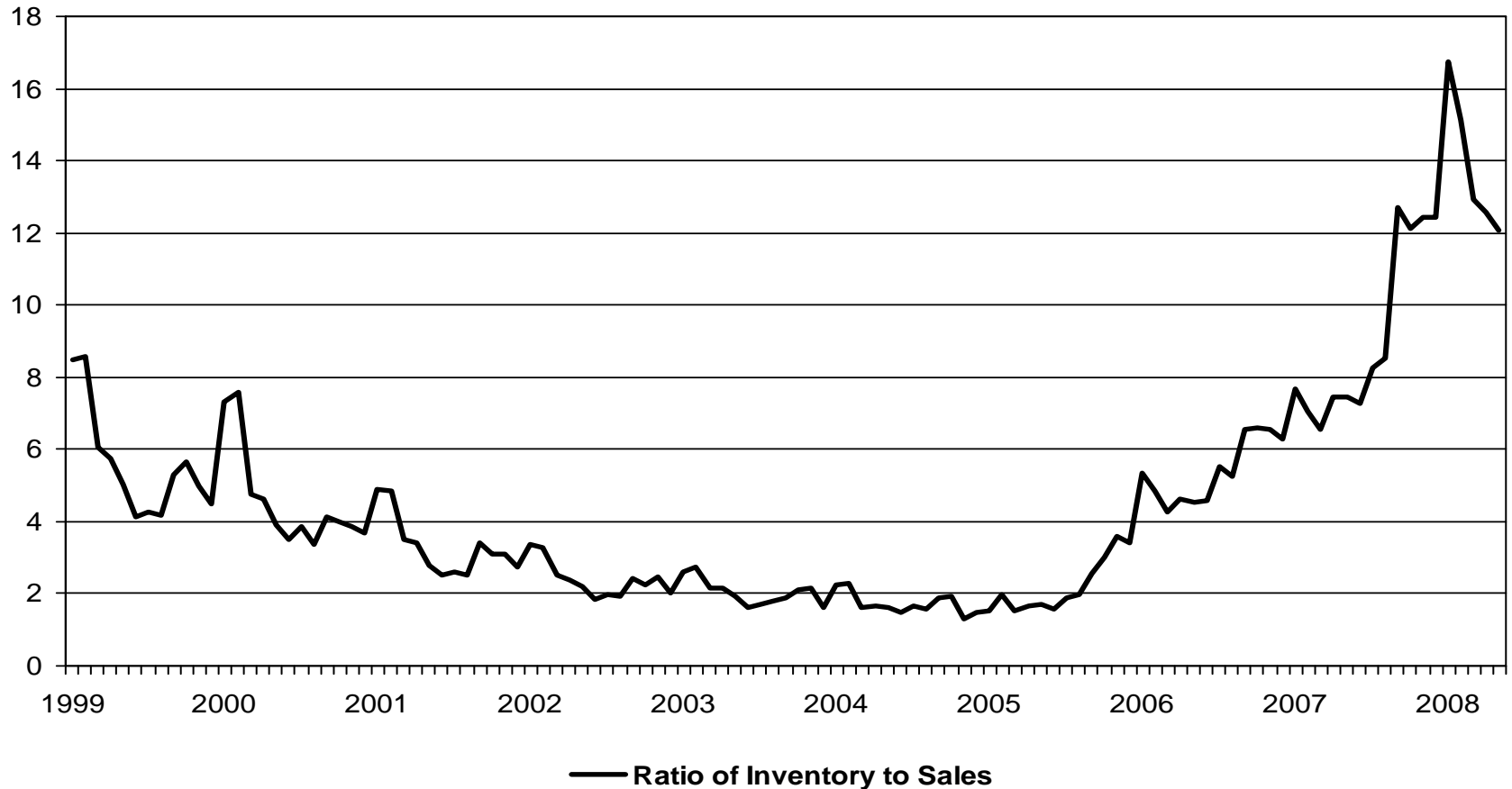
Source: Maryland Association of Realtors

Maryland Median Home Price January 2006 – May 2008



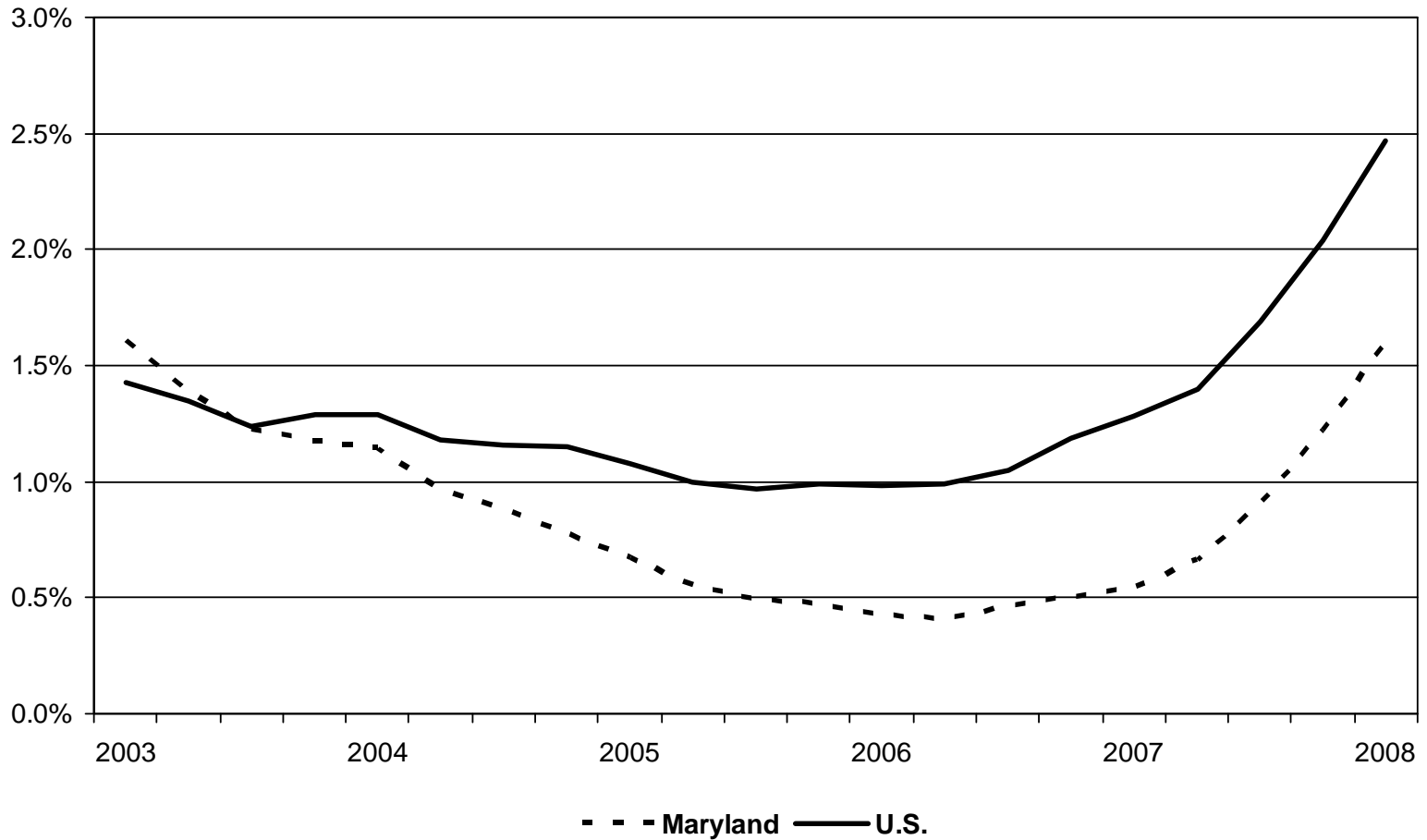
Source: Maryland Association of Realtors

Maryland Existing Homes January 1999 – May 2008



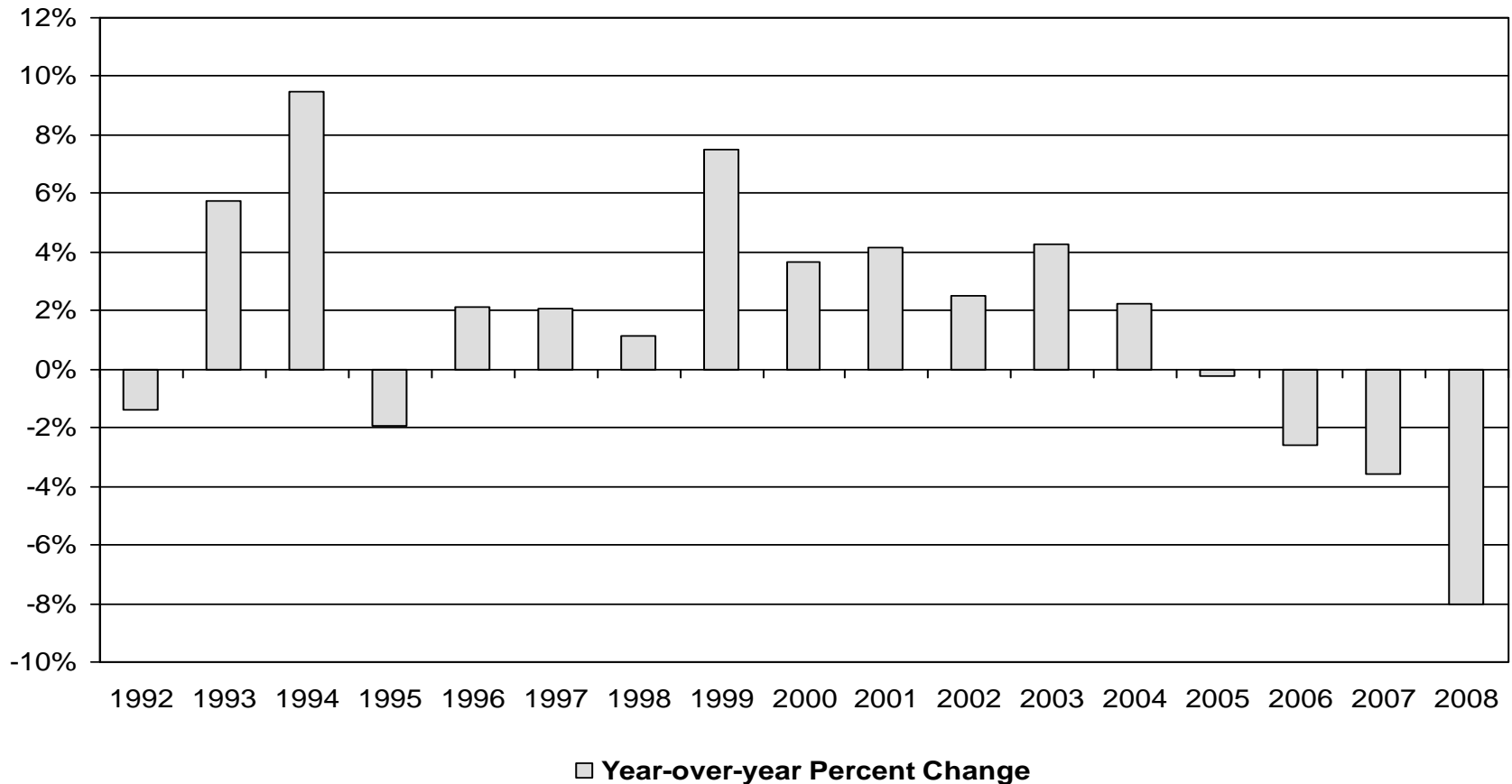
Source: Maryland Association of Realtors

Percent of All Loans in Foreclosure at End of Quarter: 2003Q1 – 2008Q1



Source: Mortgage Bankers Association – Mortgage Delinquency Survey

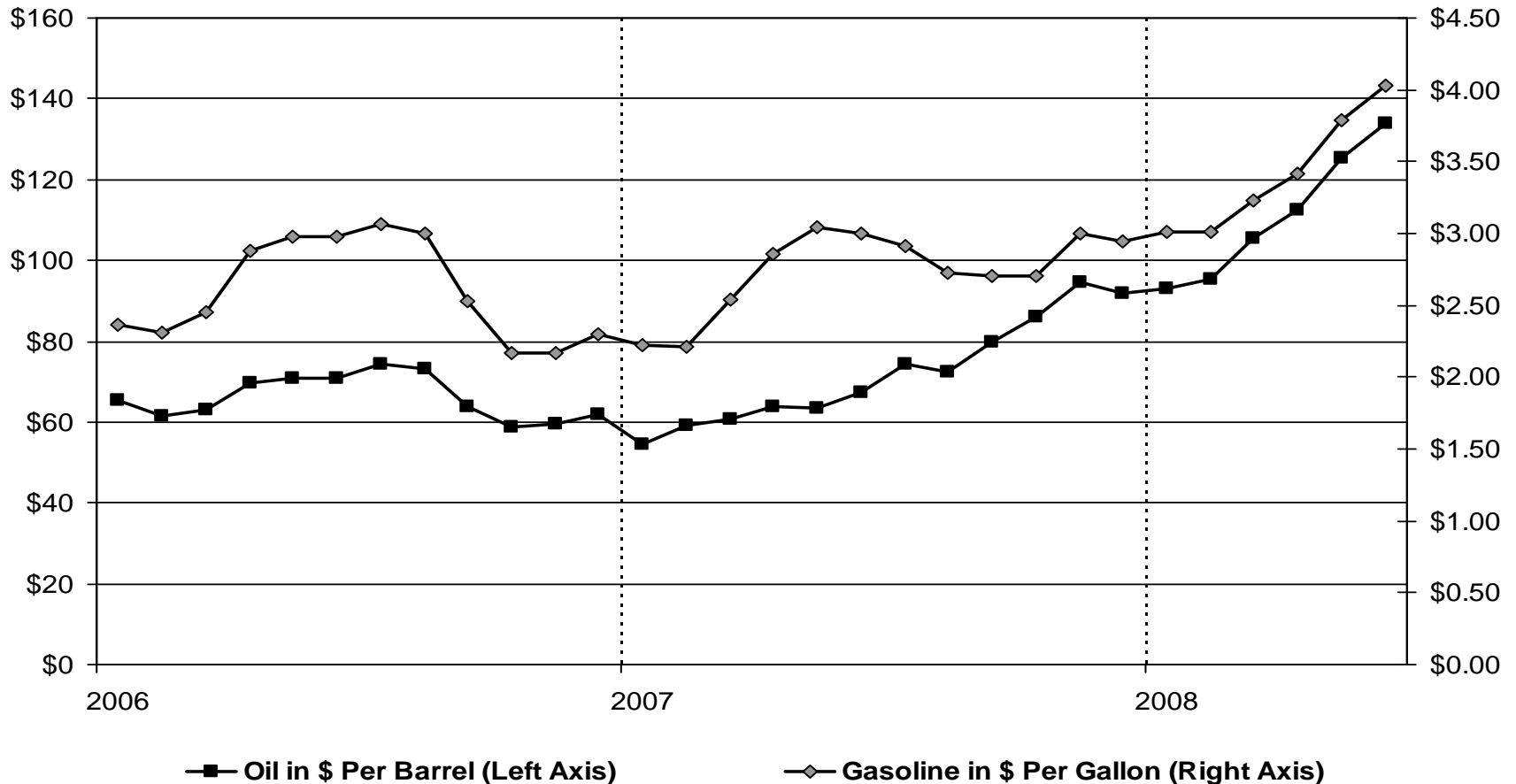
Maryland Motor Vehicle Sales 1992 – 2008*



* January through May 2008 compared to January through May 2007.

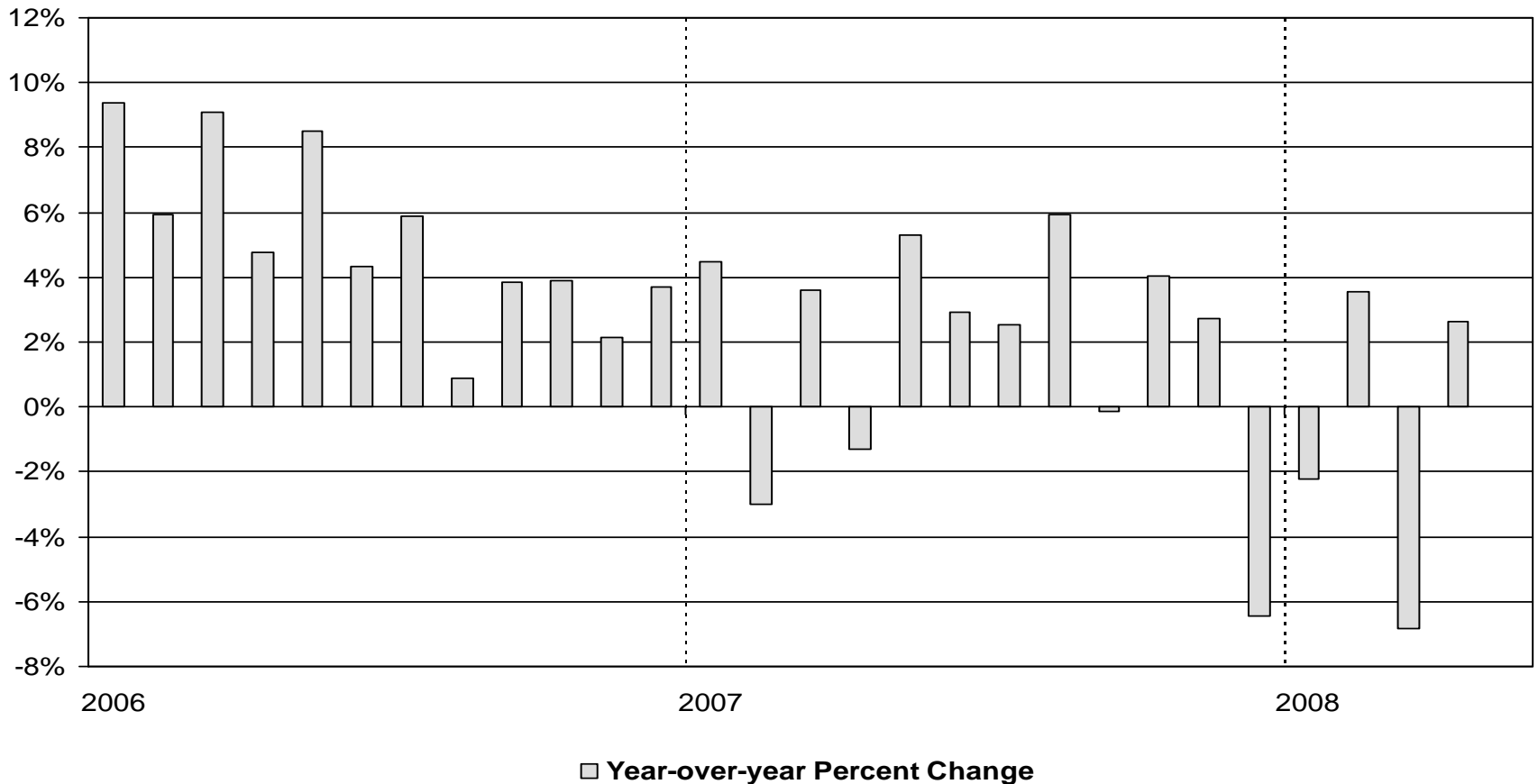
Source: Maryland Motor Vehicle Administration

Maryland Unleaded Gas Price January 2006 – June 2008



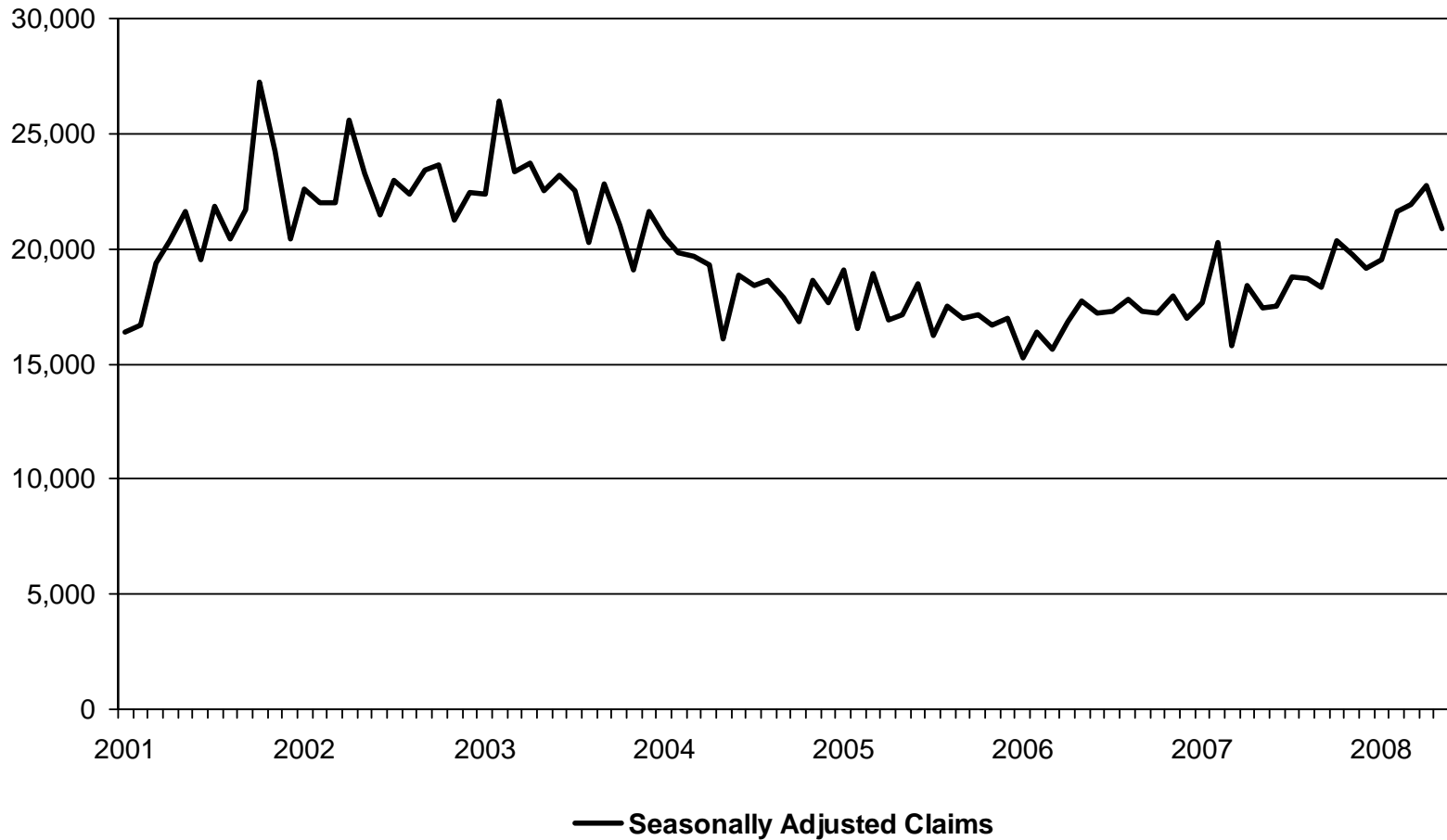
Sources: Federal Reserve Bank of St. Louis and the Oil Price Information Service

Maryland Sales Tax Gross Receipts January 2006 – April 2008



Note: Adjusted for law changes. Does not include assessments.

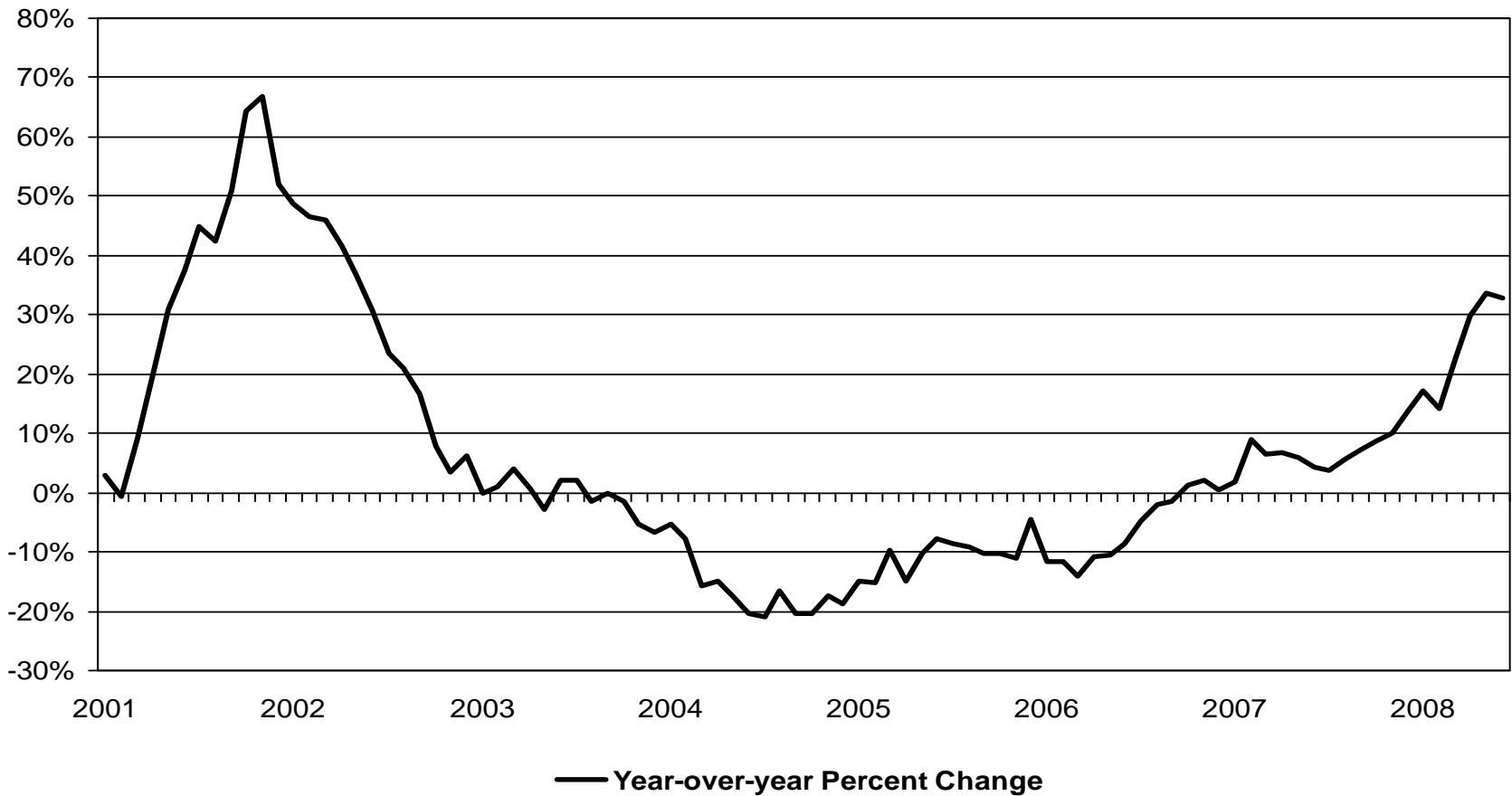
Initial Unemployment Insurance Claims January 2001 – May 2008



Source: U.S. Department of Labor and Moody's Economy.com.

Continuing Unemployment Insurance Claims

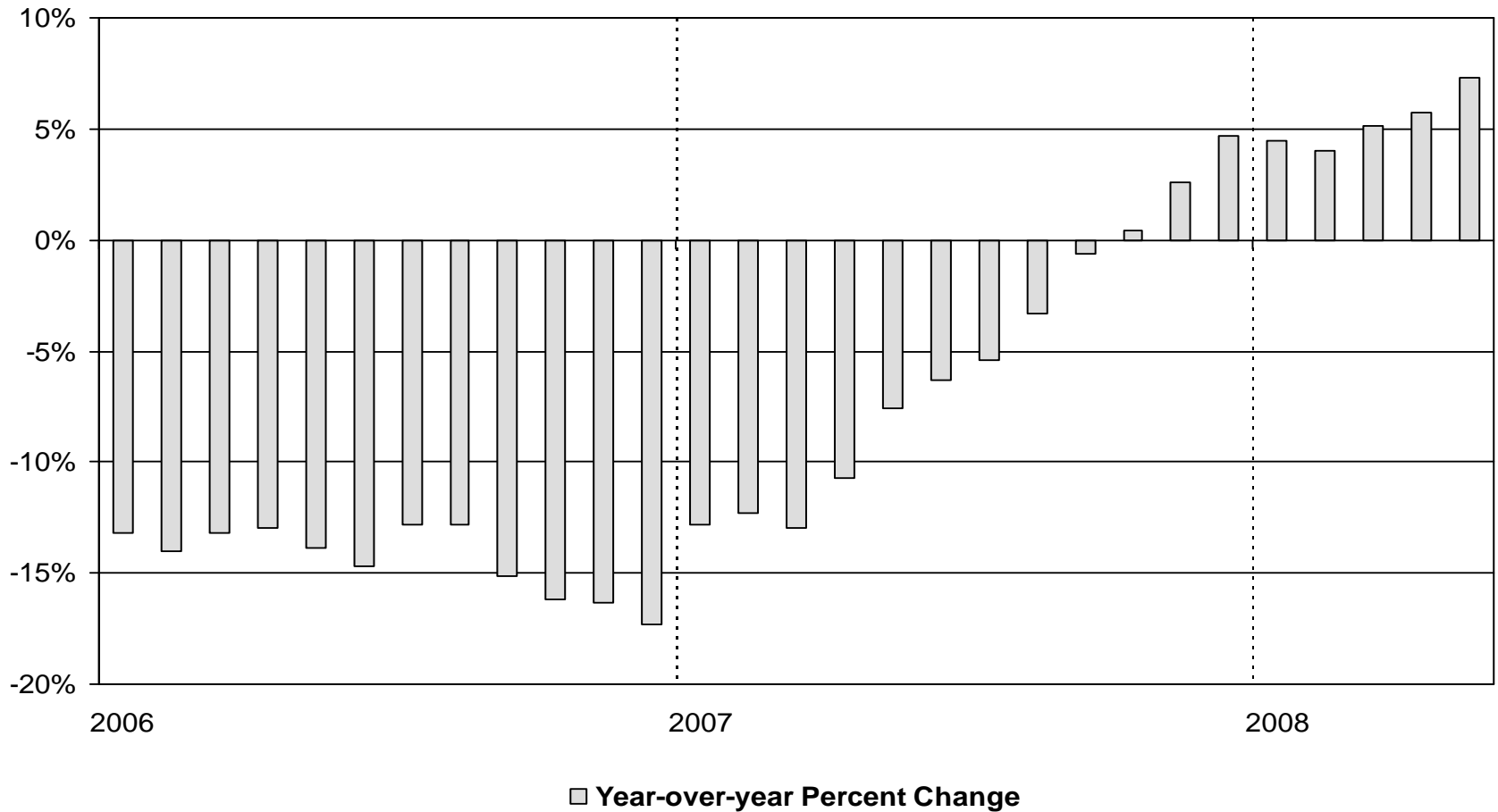
January 2001 – May 2008



Source: U.S. Department of Labor

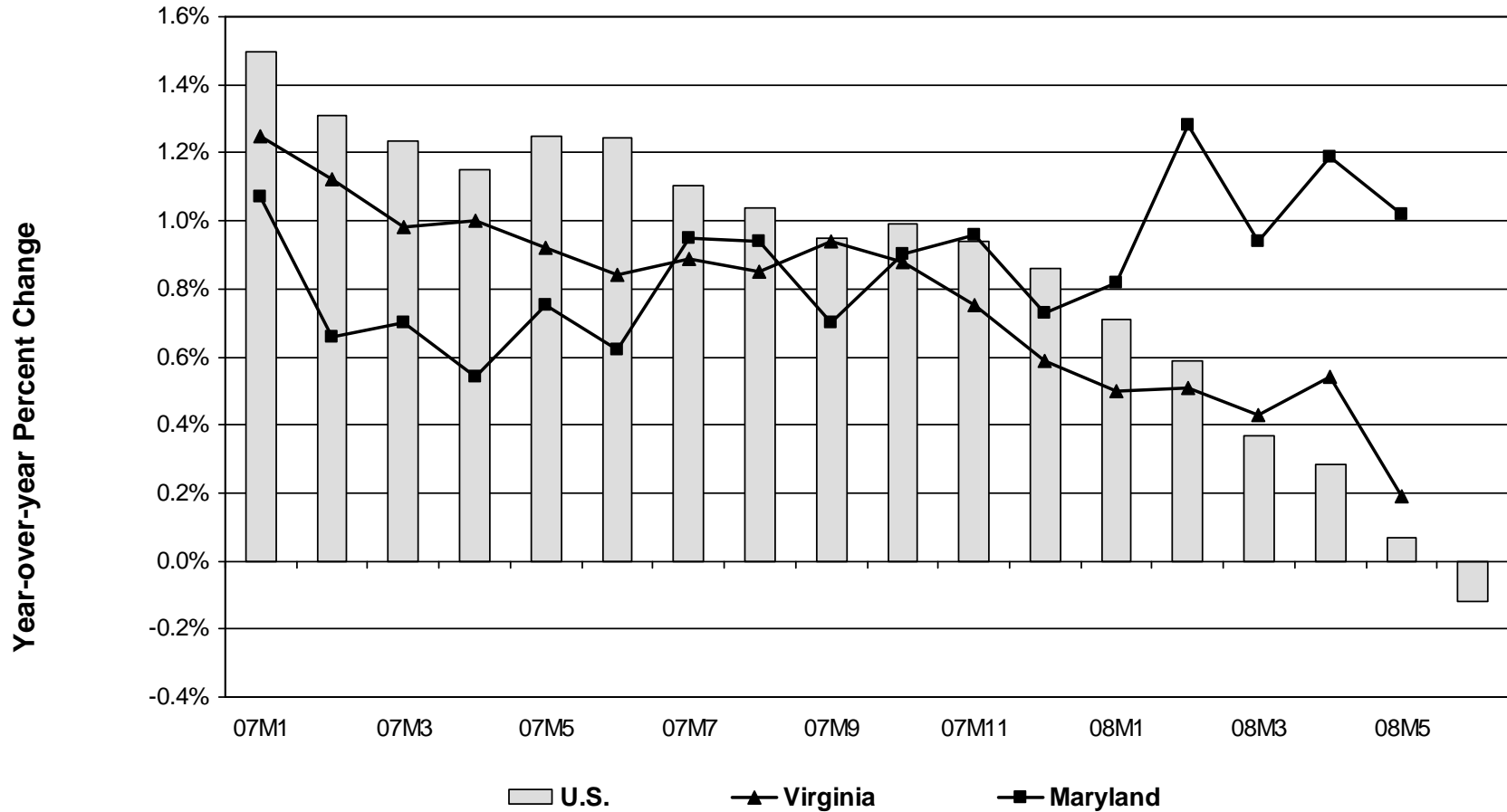
Temporary Cash Assistance Caseload

January 2006 – May 2008



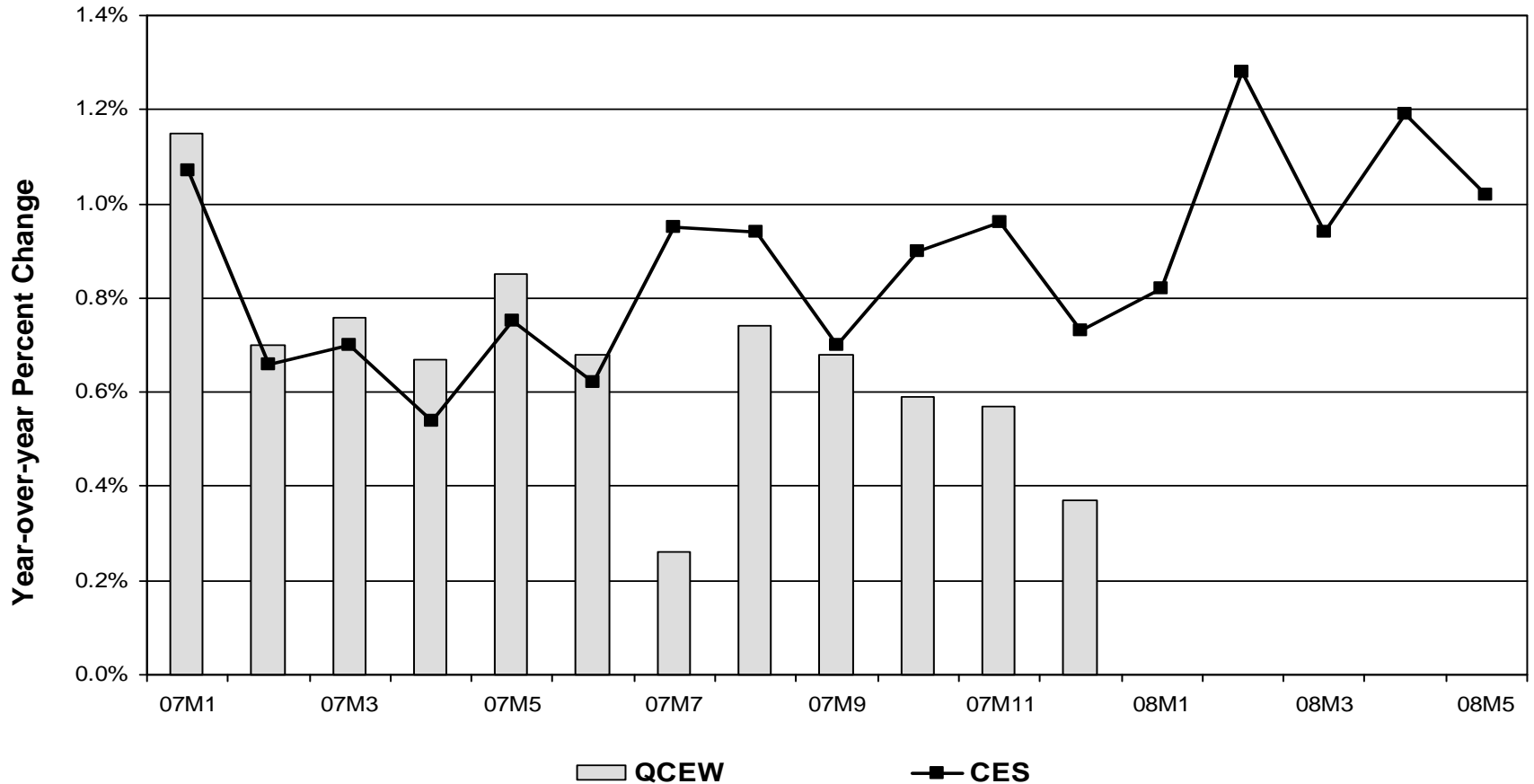
Source: Maryland Department of Human Resources

Employment Growth January 2007 – June 2008



Source: U.S. Department of Labor; non-seasonally adjusted data

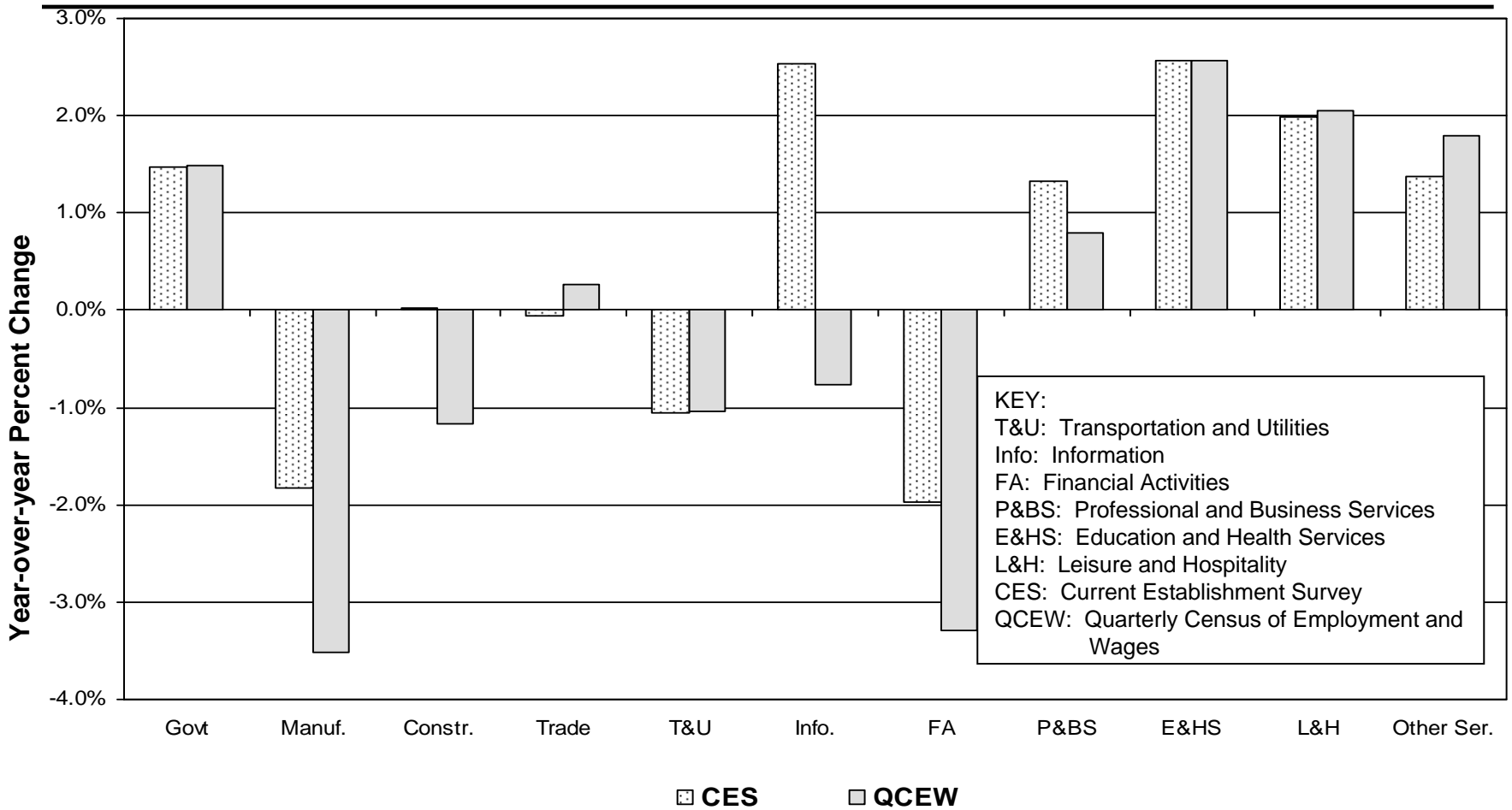
Maryland Employment Growth January 2007 – May 2008



Note: CES is the Current Establishment Survey, a monthly survey of business. QCEW is the Quarterly Census of Employment and Wages based on reports filed for the unemployment insurance system.

Sources: U.S. Department of Labor; Maryland Department of Labor, Licensing, and Regulation

Maryland Employment by Industry 2007Q4 Over 2006Q4



Source: Maryland Department of Labor, Licensing, and Regulation; non-seasonally adjusted data

General Fund Revenues – Fiscal 2008

July through May

(\$ in Millions)

	Estimate	Actual	Difference
Personal Income Tax	\$6,017.7	\$5,971.3	-\$46.3
Sales and Use Tax	3,043.2	3,017.4	-25.7
State Lottery	455.1	468.5	13.4
Corporate Income Tax	419.8	419.7	-0.1
Business Franchise Taxes	150.2	157.8	7.5
Insurance Premiums Tax	226.0	234.7	8.6
Estate and Inheritance Taxes	204.0	220.5	16.6
Tobacco Taxes	330.9	307.1	-23.8
Alcohol Beverage Taxes	24.2	23.9	-0.3
Court Revenue	135.6	127.7	-7.9
Interest	97.6	104.8	7.2
Miscellaneous	231.3	258.3	27.0
Total	\$11,335.6	\$11,311.7	-\$23.9
- Excess Lottery Revenue (SB 545)*	0.0	-13.0	
Total	\$11,335.6	\$11,298.7	-\$36.9

* SB 545 (2008 session) requires that up to \$13.0 million in excess general fund lottery revenues be distributed to a special fund. Preliminary data for June indicates that general fund lottery revenues exceeded the estimate in fiscal 2008 by about \$10.6 million.

Personal Income Tax – Fiscal 2008

July through May

(\$ in Millions)

	Estimate	Actual	Difference	% Change Over FY 2007
Withholding	\$9,063.5	\$9,009.9	-\$53.5	5.0%
Quarterly Estimated Payments	1,495.2	1,462.6	-32.4	5.0%
Fiduciary Payments	110.0	120.5	10.5	32.0%
Final Payments	1,495.8	1,500.9	5.1	3.8%
Gross Receipts State and Local	\$12,164.3	\$12,093.9	-\$70.4	5.1%
Refunds	2,164.8	2,153.6	-11.3	8.3%
Net Receipts State and Local	\$9,999.5	\$9,940.4	-\$59.1	4.4%

Growth in County Assessable Base Real and Personal Property

County	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009E	FY 2010E
Allegany	11.4%	-0.2%	-4.4%	-2.1%	1.5%	3.3%	4.3%	4.2%	9.3%	9.0%	10.0%
Anne Arundel	3.6%	3.6%	5.6%	6.7%	8.3%	11.5%	14.2%	15.7%	18.0%	13.8%	5.9%
Baltimore City	0.4%	2.0%	2.5%	2.8%	2.8%	6.8%	7.7%	8.6%	14.9%	14.7%	9.5%
Baltimore	3.0%	3.1%	2.9%	3.5%	4.0%	5.5%	9.9%	12.4%	15.7%	14.0%	13.0%
Calvert	3.9%	1.0%	2.1%	5.7%	7.6%	9.9%	12.2%	15.9%	19.8%	14.4%	9.8%
Caroline	5.4%	5.3%	4.3%	5.0%	5.1%	9.3%	12.6%	16.9%	18.1%	5.3%	5.2%
Carroll	4.7%	5.3%	5.1%	6.9%	6.5%	8.7%	13.0%	15.0%	16.1%	11.6%	11.6%
Cecil	4.1%	4.8%	5.0%	6.6%	7.6%	10.9%	11.4%	14.2%	16.1%	12.6%	11.5%
Charles	4.7%	2.7%	8.2%	5.8%	7.4%	8.2%	12.2%	17.7%	20.4%	15.1%	13.6%
Dorchester	1.5%	4.5%	2.9%	5.6%	10.2%	6.7%	11.1%	11.5%	17.8%	14.6%	14.4%
Frederick	4.3%	5.3%	5.8%	6.5%	6.7%	9.4%	16.0%	17.5%	19.2%	19.4%	19.4%
Garrett	4.6%	6.7%	4.7%	7.4%	8.8%	8.5%	14.3%	17.3%	14.6%	10.2%	5.8%
Harford	5.1%	4.6%	5.0%	6.1%	5.8%	8.1%	11.2%	14.9%	15.3%	11.3%	10.7%
Howard	5.7%	5.4%	8.5%	4.2%	7.8%	11.2%	14.2%	17.4%	16.1%	3.8%	4.6%
Kent	1.4%	2.6%	3.8%	5.0%	7.0%	8.7%	13.0%	14.2%	16.3%	0.5%	0.6%
Montgomery	2.4%	3.5%	4.6%	6.4%	9.3%	11.8%	16.2%	17.8%	26.4%	4.9%	4.4%
Prince George's	1.4%	1.8%	3.0%	4.7%	4.6%	7.2%	11.1%	15.1%	18.7%	17.5%	14.5%
Queen Anne's	4.9%	5.7%	6.6%	8.9%	11.4%	13.3%	14.3%	18.2%	19.2%	1.0%	1.0%
St. Mary's	5.6%	4.9%	4.2%	5.9%	5.4%	6.5%	10.7%	19.6%	19.1%	9.6%	9.4%
Somerset	2.8%	2.6%	1.8%	3.8%	5.3%	5.9%	13.3%	23.0%	18.5%	16.5%	13.8%
Talbot	4.4%	0.5%	11.3%	8.8%	11.1%	13.6%	14.6%	14.7%	17.5%	15.1%	9.9%
Washington	6.0%	4.4%	6.1%	2.3%	9.4%	3.2%	11.6%	14.4%	18.1%	11.1%	12.1%
Wicomico	4.1%	6.5%	2.4%	3.9%	5.6%	5.9%	9.1%	12.2%	13.7%	10.5%	8.5%
Worcester	3.6%	4.0%	6.3%	8.5%	16.0%	19.2%	17.6%	23.0%	19.7%	1.9%	3.2%
Statewide	3.2%	3.5%	4.5%	5.4%	7.0%	9.4%	13.1%	15.7%	19.7%	10.5%	8.9%

Homestead Tax Credits – Fiscal 2008

Assessable Base and Foregone Revenue

(\$ in Millions)

County	Homestead Tax Cap	Assessable Base	Assessable Base Loss		Percent of Base Loss	Revenue Foregone		
			Mandated 10% Cap	Actual Cap		Mandated 10%	Below 10%	Total
Allegany	10%	\$2,829.0	\$47.2	\$47.2	1.7%	\$0.5	\$0.0	\$0.5
Anne Arundel	2%	68,983.9	15,420.3	17,772.0	25.8%	137.4	21.0	158.3
Baltimore City	4%	26,661.7	2,706.6	3,220.5	12.1%	61.4	11.7	73.0
Baltimore	4%	68,799.5	8,805.1	10,839.5	15.8%	96.9	22.4	119.2
Calvert	10%	10,600.1	1,037.3	1,037.3	9.8%	9.3	0.0	9.3
Caroline	5%	2,359.4	154.8	205.1	8.7%	1.3	0.4	1.8
Carroll	7%	17,293.2	1,933.5	2,230.6	12.9%	20.3	3.1	23.4
Cecil	8%	8,753.5	488.2	566.5	6.5%	4.7	0.8	5.4
Charles	7%	14,986.5	1,365.2	1,592.1	10.6%	14.0	2.3	16.3
Dorchester	5%	2,663.4	190.4	237.3	8.9%	1.7	0.4	2.1
Frederick	5%	26,099.2	3,192.1	3,867.9	14.8%	34.0	7.2	41.2
Garrett	5%	3,744.0	75.7	100.1	2.7%	0.8	0.2	1.0
Harford	10%	21,863.7	1,281.3	1,281.3	5.9%	13.9	0.0	13.9
Howard	5%	40,349.7	7,102.4	8,070.1	20.0%	81.6	11.1	92.8
Kent	5%	2,493.5	214.4	255.1	10.2%	2.1	0.4	2.5
Montgomery	10%	179,739.4	22,169.2	22,169.2	12.3%	203.1	0.0	203.1
Prince George's	4%	71,015.6	11,728.4	13,554.2	19.1%	154.7	24.1	178.8
Queen Anne's	5%	7,258.8	792.3	970.0	13.4%	6.1	1.4	7.5
St. Mary's	5%	9,478.6	948.8	1,168.9	12.3%	8.1	1.9	10.0
Somerset	10%	1,326.3	69.4	69.4	5.2%	0.7	0.0	0.7
Talbot	0%	7,849.5	1,725.8	1,964.2	25.0%	8.2	1.1	9.3
Washington	5%	11,277.6	708.1	958.2	8.5%	6.7	2.4	9.1
Wicomico	10%	5,835.2	219.5	219.5	3.8%	1.9	0.0	1.9
Worcester	3%	16,948.2	901.6	1,059.8	6.3%	6.3	1.1	7.4
Statewide		\$629,209.3	\$83,277.7	\$93,456.2	14.9%	\$875.5	\$112.9	\$988.4

Maryland State Transfer Tax Revenue January 2006 – May 2008

