
**Tax Capacity and Effort of
Local Governments in Maryland
Fiscal 2012**

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Outline

- Review ways to measure and compare the taxing ability of local governments
- Demonstrate how State aid offsets fiscal disparities among local jurisdictions
- Identify strengths and weaknesses from using tax capacity and effort indexes
- Discuss how the State currently utilizes tax capacity and effort indexes in allocating State aid

Measuring Taxing Ability of Local Governments

- **Tax Capacity Index** measures the potential tax base of a local government using State average tax rates
- **Tax Effort Index** measures the extent to which the local tax base is actually taxed
- **Combined Capacity Index** identifies the extent to which State aid offsets tax capacity differences
- **Local Tax Revenues** measured in this analysis include both county and municipal property and income taxes

Tax Capacity Varies Significantly Among Local Jurisdictions

- Ability for local governments to generate revenues from their own sources varies significantly
- Per capita local wealth ranges from a low of \$65,536 in Allegany County to a high of \$359,465 in Worcester County – the statewide average is \$144,761
- Local wealth includes **county assessable base** which measures a jurisdiction's ability to generate property tax revenues and **net taxable income** which measures a jurisdiction's ability to generate income tax revenues
- Property and income taxes are the two main sources of local tax revenues, accounting for 90% of total local taxes

Local Wealth Calculation for Maryland Counties

Fiscal 2012

County	Population	Assessable Base	Income Base	Total Wealth	Per Capita Wealth	Ranking
				Amount	Amount	
Allegany	74,489	\$4,014,571,000	\$867,159,177	\$4,881,730,177	\$65,536	24
Anne Arundel	544,818	79,589,954,000	14,986,617,818	94,576,571,818	173,593	9
Baltimore City	620,216	37,515,837,250	8,051,308,975	45,567,146,225	73,470	22
Baltimore	812,401	84,302,272,750	19,946,005,963	104,248,278,713	128,321	15
Calvert	89,264	13,333,624,000	2,215,949,901	15,549,573,901	174,198	8
Caroline	32,954	2,949,842,000	429,140,344	3,378,982,344	102,536	20
Carroll	167,313	19,678,687,000	4,089,627,711	23,768,314,711	142,059	10
Cecil	101,628	10,558,891,000	1,759,952,067	12,318,843,067	121,215	16
Charles	149,242	17,521,348,000	3,141,770,045	20,663,118,045	138,454	13
Dorchester	32,703	3,229,486,000	417,778,692	3,647,264,692	111,527	18
Frederick	237,309	27,154,307,000	5,775,941,605	32,930,248,605	138,765	12
Garrett	30,097	4,978,214,000	412,503,688	5,390,717,688	179,111	6
Harford	246,651	27,471,469,000	5,733,676,214	33,205,145,214	134,624	14
Howard	293,879	44,986,078,750	10,592,421,581	55,578,500,331	189,120	5
Kent	20,265	3,154,782,500	387,847,197	3,542,629,697	174,815	7
Montgomery	991,645	167,750,575,250	37,842,987,745	205,593,562,995	207,326	3
Prince George's	874,045	86,036,875,000	14,527,642,047	100,564,517,047	115,056	17
Queen Anne's	48,400	8,543,876,000	1,163,778,140	9,707,654,140	200,571	4
St. Mary's	107,681	12,567,335,000	2,397,213,804	14,964,548,804	138,971	11
Somerset	26,370	1,686,855,000	201,251,309	1,888,106,309	71,601	23
Talbot	37,974	9,730,598,000	1,072,816,174	10,803,414,174	284,495	2
Washington	148,817	13,266,687,000	2,357,087,753	15,623,774,753	104,986	19
Wicomico	99,965	7,116,997,000	1,340,319,203	8,457,316,203	84,603	21
Worcester	51,446	17,531,447,000	961,581,794	18,493,028,794	359,465	1
Total	5,839,572	\$704,670,609,500	\$140,672,378,940	\$845,342,988,440	\$144,761	

Note: Total Wealth is calculated by adding the assessable base and income base.

Property Tax Capacity Among Maryland Jurisdictions

- Property tax is the leading source of local revenues for most counties
- Per capita assessable base ranges from \$53,895 in Allegany County to \$340,774 in Worcester County – the statewide average is \$120,672
- Using statewide average property tax rates, Allegany County would be able to generate \$582 per capita; whereas, Worcester County would be able to generate \$3,679 per capita – the statewide average is \$1,303 per capita

Per Capita Assessable Base in Maryland Counties Fiscal 2012

County	Population	Assessable Base	Per Capita Basis	
			Amount	Ranking
Allegany	74,489	\$4,014,571,000	\$53,895	24
Anne Arundel	544,818	79,589,954,000	146,085	9
Baltimore City	620,216	37,515,837,250	60,488	23
Baltimore	812,401	84,302,272,750	103,769	16
Calvert	89,264	13,333,624,000	149,373	8
Caroline	32,954	2,949,842,000	89,514	19
Carroll	167,313	19,678,687,000	117,616	10
Cecil	101,628	10,558,891,000	103,897	15
Charles	149,242	17,521,348,000	117,402	11
Dorchester	32,703	3,229,486,000	98,752	17
Frederick	237,309	27,154,307,000	114,426	13
Garrett	30,097	4,978,214,000	165,406	5
Harford	246,651	27,471,469,000	111,378	14
Howard	293,879	44,986,078,750	153,077	7
Kent	20,265	3,154,782,500	155,676	6
Montgomery	991,645	167,750,575,250	169,164	4
Prince George's	874,045	86,036,875,000	98,435	18
Queen Anne's	48,400	8,543,876,000	176,526	3
St. Mary's	107,681	12,567,335,000	116,709	12
Somerset	26,370	1,686,855,000	63,969	22
Talbot	37,974	9,730,598,000	256,244	2
Washington	148,817	13,266,687,000	89,148	20
Wicomico	99,965	7,116,997,000	71,195	21
Worcester	51,446	17,531,447,000	340,774	1
Total	5,839,572	\$704,670,609,500	\$120,672	

Property Tax Capacity Index

Fiscal 2012

County	Population	Assessable Base	Property Tax Revenues	Hypothetical Yield	Per Capita Hypothetical Yield	Tax Capacity Index	Rank
Allegany	74,489	\$4,014,571,000	\$57,361,565	\$43,346,406	\$582	45	24
Anne Arundel	544,818	79,589,954,000	634,043,908	859,354,198	1,577	121	9
Baltimore City	620,216	37,515,837,250	763,768,773	405,068,612	653	50	23
Baltimore	812,401	84,302,272,750	848,970,203	910,234,374	1,120	86	16
Calvert	89,264	13,333,624,000	150,942,663	143,966,734	1,613	124	8
Caroline	32,954	2,949,842,000	29,802,280	31,850,240	967	74	19
Carroll	167,313	19,678,687,000	222,570,552	212,476,091	1,270	97	10
Cecil	101,628	10,558,891,000	115,581,522	114,007,194	1,122	86	15
Charles	149,242	17,521,348,000	202,746,177	189,182,720	1,268	97	11
Dorchester	32,703	3,229,486,000	39,640,484	34,869,631	1,066	82	17
Frederick	237,309	27,154,307,000	331,785,736	293,192,376	1,235	95	13
Garrett	30,097	4,978,214,000	51,513,396	53,751,119	1,786	137	5
Harford	246,651	27,471,469,000	320,938,045	296,616,859	1,203	92	14
Howard	293,879	44,986,078,750	506,546,740	485,726,824	1,653	127	7
Kent	20,265	3,154,782,500	33,869,193	34,063,037	1,681	129	6
Montgomery	991,645	167,750,575,250	1,526,509,303	1,811,248,201	1,827	140	4
Prince George's	874,045	86,036,875,000	1,138,561,971	928,963,342	1,063	82	18
Queen Anne's	48,400	8,543,876,000	68,636,317	92,250,533	1,906	146	3
St. Mary's	107,681	12,567,335,000	100,558,532	135,692,905	1,260	97	12
Somerset	26,370	1,686,855,000	19,128,021	18,213,428	691	53	22
Talbot	37,974	9,730,598,000	44,855,626	105,063,891	2,767	212	2
Washington	148,817	13,266,687,000	147,474,183	143,243,997	963	74	20
Wicomico	99,965	7,116,997,000	81,828,604	76,844,136	769	59	21
Worcester	51,446	17,531,447,000	170,884,817	189,291,761	3,679	282	1
Total	5,839,572	\$704,670,609,500	\$7,608,518,611	\$7,608,518,611	\$1,303	100	

Income Tax Capacity Among Maryland Jurisdictions

- Income tax is the second major source of local revenues for most counties
- Per capita net taxable income ranges from \$7,632 in Somerset County to \$38,162 in Montgomery County – the statewide average is \$24,090
- Using statewide average income tax rates, Somerset County would be able to generate \$242 per capita; whereas, Montgomery County would be able to generate \$1,210 per capita – the statewide average is \$764 per capita

Per Capita Net Taxable Income in Maryland Counties Fiscal 2012

County	Population	Net	Per Capita Basis	
		Taxable Income	Amount	Ranking
Allegany	74,489	\$867,159,177	\$11,641	23
Anne Arundel	544,818	14,986,617,818	27,508	4
Baltimore City	620,216	8,051,308,975	12,981	21
Baltimore	812,401	19,946,005,963	24,552	6
Calvert	89,264	2,215,949,901	24,825	5
Caroline	32,954	429,140,344	13,022	20
Carroll	167,313	4,089,627,711	24,443	7
Cecil	101,628	1,759,952,067	17,318	15
Charles	149,242	3,141,770,045	21,052	12
Dorchester	32,703	417,778,692	12,775	22
Frederick	237,309	5,775,941,605	24,339	8
Garrett	30,097	412,503,688	13,706	18
Harford	246,651	5,733,676,214	23,246	10
Howard	293,879	10,592,421,581	36,043	2
Kent	20,265	387,847,197	19,139	13
Montgomery	991,645	37,842,987,745	38,162	1
Prince George's	874,045	14,527,642,047	16,621	16
Queen Anne's	48,400	1,163,778,140	24,045	9
St. Mary's	107,681	2,397,213,804	22,262	11
Somerset	26,370	201,251,309	7,632	24
Talbot	37,974	1,072,816,174	28,251	3
Washington	148,817	2,357,087,753	15,839	17
Wicomico	99,965	1,340,319,203	13,408	19
Worcester	51,446	961,581,794	18,691	14
Total	5,839,572	\$140,672,378,940	\$24,090	

Income Tax Capacity Index

Fiscal 2012

County	Population	Net Taxable Income	Income Tax Revenues	Hypothetical Yield	Per Capita Hypothetical Yield	Tax Capacity Index	Rank
Allegany	74,489	\$867,159,177	\$27,395,044	\$27,488,862	\$369	48	23
Anne Arundel	544,818	14,986,617,818	399,711,190	475,074,332	872	114	4
Baltimore City	620,216	8,051,308,975	261,949,606	255,225,714	412	54	21
Baltimore	812,401	19,946,005,963	593,204,019	632,286,455	778	102	6
Calvert	89,264	2,215,949,901	65,133,772	70,245,397	787	103	5
Caroline	32,954	429,140,344	11,659,751	13,603,707	413	54	20
Carroll	167,313	4,089,627,711	132,618,587	129,640,802	775	101	7
Cecil	101,628	1,759,952,067	51,889,394	55,790,310	549	72	15
Charles	149,242	3,141,770,045	98,619,346	99,593,806	667	87	12
Dorchester	32,703	417,778,692	11,566,477	13,243,544	405	53	22
Frederick	237,309	5,775,941,605	179,527,568	183,096,789	772	101	8
Garrett	30,097	412,503,688	11,144,195	13,076,327	434	57	18
Harford	246,651	5,733,676,214	183,216,650	181,756,980	737	96	10
Howard	293,879	10,592,421,581	357,346,675	335,778,737	1,143	150	2
Kent	20,265	387,847,197	11,051,225	12,294,719	607	79	13
Montgomery	991,645	37,842,987,745	1,290,228,986	1,199,619,042	1,210	158	1
Prince George's	874,045	14,527,642,047	506,195,137	460,524,844	527	69	16
Queen Anne's	48,400	1,163,778,140	36,430,512	36,891,654	762	100	9
St. Mary's	107,681	2,397,213,804	76,706,915	75,991,445	706	92	11
Somerset	26,370	201,251,309	6,424,032	6,379,647	242	32	24
Talbot	37,974	1,072,816,174	22,011,686	34,008,169	896	117	3
Washington	148,817	2,357,087,753	67,732,696	74,719,453	502	66	17
Wicomico	99,965	1,340,319,203	43,437,689	42,487,989	425	56	19
Worcester	51,446	961,581,794	14,099,619	30,482,050	593	78	14
Total	5,839,572	\$140,672,378,940	\$4,459,300,771	\$4,459,300,771	\$764	100	

Combined Property and Income Tax Capacity Measures

- Combining both property tax capacity and income tax capacity provides a more accurate measure of a jurisdiction's overall tax capacity
- Using statewide average property and income tax rates, Somerset County would be able to generate \$933 per capita; whereas, Worcester County would be able to generate \$4,272 per capita – the statewide average is \$2,067 per capita

Combined Tax Capacity Index Fiscal 2012

County	Population	Property Hypothetical Yield	Income Hypothetical Yield	Combined Hypothetical Yield	County Yield Per Capita	Tax Capacity Index	Rank
Allegany	74,489	\$43,346,406	\$27,488,862	\$70,835,268	\$951	46	23
Anne Arundel	544,818	859,354,198	475,074,332	1,334,428,529	2,449	119	6
Baltimore City	620,216	405,068,612	255,225,714	660,294,326	1,065	52	22
Baltimore	812,401	910,234,374	632,286,455	1,542,520,829	1,899	92	15
Calvert	89,264	143,966,734	70,245,397	214,212,131	2,400	116	7
Caroline	32,954	31,850,240	13,603,707	45,453,947	1,379	67	20
Carroll	167,313	212,476,091	129,640,802	342,116,892	2,045	99	10
Cecil	101,628	114,007,194	55,790,310	169,797,504	1,671	81	16
Charles	149,242	189,182,720	99,593,806	288,776,525	1,935	94	14
Dorchester	32,703	34,869,631	13,243,544	48,113,175	1,471	71	18
Frederick	237,309	293,192,376	183,096,789	476,289,165	2,007	97	11
Garrett	30,097	53,751,119	13,076,327	66,827,446	2,220	107	9
Harford	246,651	296,616,859	181,756,980	478,373,839	1,939	94	13
Howard	293,879	485,726,824	335,778,737	821,505,561	2,795	135	4
Kent	20,265	34,063,037	12,294,719	46,357,756	2,288	111	8
Montgomery	991,645	1,811,248,201	1,199,619,042	3,010,867,243	3,036	147	3
Prince George's	874,045	928,963,342	460,524,844	1,389,488,186	1,590	77	17
Queen Anne's	48,400	92,250,533	36,891,654	129,142,188	2,668	129	5
St. Mary's	107,681	135,692,905	75,991,445	211,684,350	1,966	95	12
Somerset	26,370	18,213,428	6,379,647	24,593,075	933	45	24
Talbot	37,974	105,063,891	34,008,169	139,072,059	3,662	177	2
Washington	148,817	143,243,997	74,719,453	217,963,451	1,465	71	19
Wicomico	99,965	76,844,136	42,487,989	119,332,125	1,194	58	21
Worcester	51,446	189,291,761	30,482,050	219,773,811	4,272	207	1
Total	5,839,572	\$7,608,518,611	\$4,459,300,771	\$12,067,819,382	\$2,067	100	

State Aid Reduces Fiscal Disparities Among Jurisdictions

- Primary goal of many State aid programs is to reduce disparity in the revenue capacity among jurisdictions
- Nearly 70% of State aid is allocated based on local wealth, whereby less affluent jurisdictions receive relatively more funding
- State aid to local jurisdictions significantly offsets the variations in the tax capacity among Maryland jurisdictions

Combined Tax Capacity Index – Adjusted for State Aid Fiscal 2012

County	Population	Combined Hypothetical Yield	State Aid Amount	Adjusted Hypothetical Yield	Adjusted Yield Per Capita	Adjusted Capacity Index	Rank
Allegany	74,489	\$70,835,268	\$106,598,753	\$177,434,021	\$2,382	74	23
Anne Arundel	544,818	1,334,428,529	423,861,036	1,758,289,565	3,227	101	9
Baltimore City	620,216	660,294,326	1,361,597,394	2,021,891,720	3,260	102	8
Baltimore	812,401	1,542,520,829	701,882,136	2,244,402,965	2,763	86	20
Calvert	89,264	214,212,131	105,160,774	319,372,905	3,578	112	5
Caroline	32,954	45,453,947	54,156,071	99,610,018	3,023	94	13
Carroll	167,313	342,116,892	180,276,495	522,393,387	3,122	97	12
Cecil	101,628	169,797,504	127,612,964	297,410,468	2,926	91	17
Charles	149,242	288,776,525	192,807,505	481,584,030	3,227	101	10
Dorchester	32,703	48,113,175	43,256,449	91,369,624	2,794	87	19
Frederick	237,309	476,289,165	273,435,251	749,724,416	3,159	99	11
Garrett	30,097	66,827,446	35,019,805	101,847,251	3,384	106	7
Harford	246,651	478,373,839	263,810,832	742,184,671	3,009	94	15
Howard	293,879	821,505,561	300,502,162	1,122,007,723	3,818	119	4
Kent	20,265	46,357,756	13,991,685	60,349,441	2,978	93	16
Montgomery	991,645	3,010,867,243	810,491,508	3,821,358,751	3,854	120	3
Prince George's	874,045	1,389,488,186	1,080,685,684	2,470,173,870	2,826	88	18
Queen Anne's	48,400	129,142,188	42,900,939	172,043,127	3,555	111	6
St. Mary's	107,681	211,684,350	113,119,458	324,803,808	3,016	94	14
Somerset	26,370	24,593,075	34,348,368	58,941,443	2,235	70	24
Talbot	37,974	139,072,059	18,720,106	157,792,165	4,155	130	2
Washington	148,817	217,963,451	186,812,788	404,776,239	2,720	85	21
Wicomico	99,965	119,332,125	140,467,614	259,799,739	2,599	81	22
Worcester	51,446	219,773,811	32,977,866	252,751,677	4,913	153	1
Total	5,839,572	\$12,067,819,382	\$6,644,493,643	\$18,712,313,025	\$3,204	100	

Comparison of Tax Capacity Index and State Aid Adjusted Index Fiscal 2012

County	Population	County Yield Per Capita	Tax Capacity Index	Rank	Adjusted Yield Per Capita	Adjusted Capacity Index	Rank
Allegany	74,489	\$951	46	23	\$2,382	74	23
Anne Arundel	544,818	2,449	119	6	3,227	101	9
Baltimore City	620,216	1,065	52	22	3,260	102	8
Baltimore	812,401	1,899	92	15	2,763	86	20
Calvert	89,264	2,400	116	7	3,578	112	5
Caroline	32,954	1,379	67	20	3,023	94	13
Carroll	167,313	2,045	99	10	3,122	97	12
Cecil	101,628	1,671	81	16	2,926	91	17
Charles	149,242	1,935	94	14	3,227	101	10
Dorchester	32,703	1,471	71	18	2,794	87	19
Frederick	237,309	2,007	97	11	3,159	99	11
Garrett	30,097	2,220	107	9	3,384	106	7
Harford	246,651	1,939	94	13	3,009	94	15
Howard	293,879	2,795	135	4	3,818	119	4
Kent	20,265	2,288	111	8	2,978	93	16
Montgomery	991,645	3,036	147	3	3,854	120	3
Prince George's	874,045	1,590	77	17	2,826	88	18
Queen Anne's	48,400	2,668	129	5	3,555	111	6
St. Mary's	107,681	1,966	95	12	3,016	94	14
Somerset	26,370	933	45	24	2,235	70	24
Talbot	37,974	3,662	177	2	4,155	130	2
Washington	148,817	1,465	71	19	2,720	85	21
Wicomico	99,965	1,194	58	21	2,599	81	22
Worcester	51,446	4,272	207	1	4,913	153	1
Total	5,839,572	\$2,067	100		\$3,204	100	

Tax Effort Affected by Several Factors

- Tax effort measures the extent to which the local tax base is actually taxed
- Tax effort is not a measure of what the tax level should be
- Tax effort should not be used to judge whether local governments are taxing too little or too much
- Tax effort is affected by a jurisdiction's wealth base, available revenue sources, demand for local services, tax limitation measures, acceptance of higher taxes, and fees

High- and Low-wealth Jurisdictions Can Have a Relatively High Tax Effort

- Howard County (a high-wealth jurisdiction) has an above-average property and income tax effort
- Montgomery County (a high-wealth jurisdiction) has an above-average income tax effort; but a below-average property tax effort
- Some low-wealth jurisdictions (Dorchester and Washington counties) have above-average property tax effort; however, their income tax effort is below average
- Baltimore City, Somerset, and Wicomico counties (low-wealth jurisdictions) have above-average property and income tax effort
- Caroline County (a low-wealth jurisdiction) has a below-average property and income tax effort

Property Tax Effort Index

Fiscal 2012

County	Population	Assessable Base	Property Tax Revenues	Hypothetical Yield	Tax Effort Index	Rank
Allegany	74,489	\$4,014,571,000	\$57,361,565	\$43,346,406	132	2
Anne Arundel	544,818	79,589,954,000	634,043,908	859,354,198	74	23
Baltimore City	620,216	37,515,837,250	763,768,773	405,068,612	189	1
Baltimore	812,401	84,302,272,750	848,970,203	910,234,374	93	18
Calvert	89,264	13,333,624,000	150,942,663	143,966,734	105	10
Caroline	32,954	2,949,842,000	29,802,280	31,850,240	94	17
Carroll	167,313	19,678,687,000	222,570,552	212,476,091	105	11
Cecil	101,628	10,558,891,000	115,581,522	114,007,194	101	14
Charles	149,242	17,521,348,000	202,746,177	189,182,720	107	7
Dorchester	32,703	3,229,486,000	39,640,484	34,869,631	114	4
Frederick	237,309	27,154,307,000	331,785,736	293,192,376	113	5
Garrett	30,097	4,978,214,000	51,513,396	53,751,119	96	16
Harford	246,651	27,471,469,000	320,938,045	296,616,859	108	6
Howard	293,879	44,986,078,750	506,546,740	485,726,824	104	12
Kent	20,265	3,154,782,500	33,869,193	34,063,037	99	15
Montgomery	991,645	167,750,575,250	1,526,509,303	1,811,248,201	84	20
Prince George's	874,045	86,036,875,000	1,138,561,971	928,963,342	123	3
Queen Anne's	48,400	8,543,876,000	68,636,317	92,250,533	74	21
St. Mary's	107,681	12,567,335,000	100,558,532	135,692,905	74	22
Somerset	26,370	1,686,855,000	19,128,021	18,213,428	105	9
Talbot	37,974	9,730,598,000	44,855,626	105,063,891	43	24
Washington	148,817	13,266,687,000	147,474,183	143,243,997	103	13
Wicomico	99,965	7,116,997,000	81,828,604	76,844,136	106	8
Worcester	51,446	17,531,447,000	170,884,817	189,291,761	90	19
Total	5,839,572	\$704,670,609,500	\$7,608,518,611	\$7,608,518,611	100	

Income Tax Effort Index

Fiscal 2012

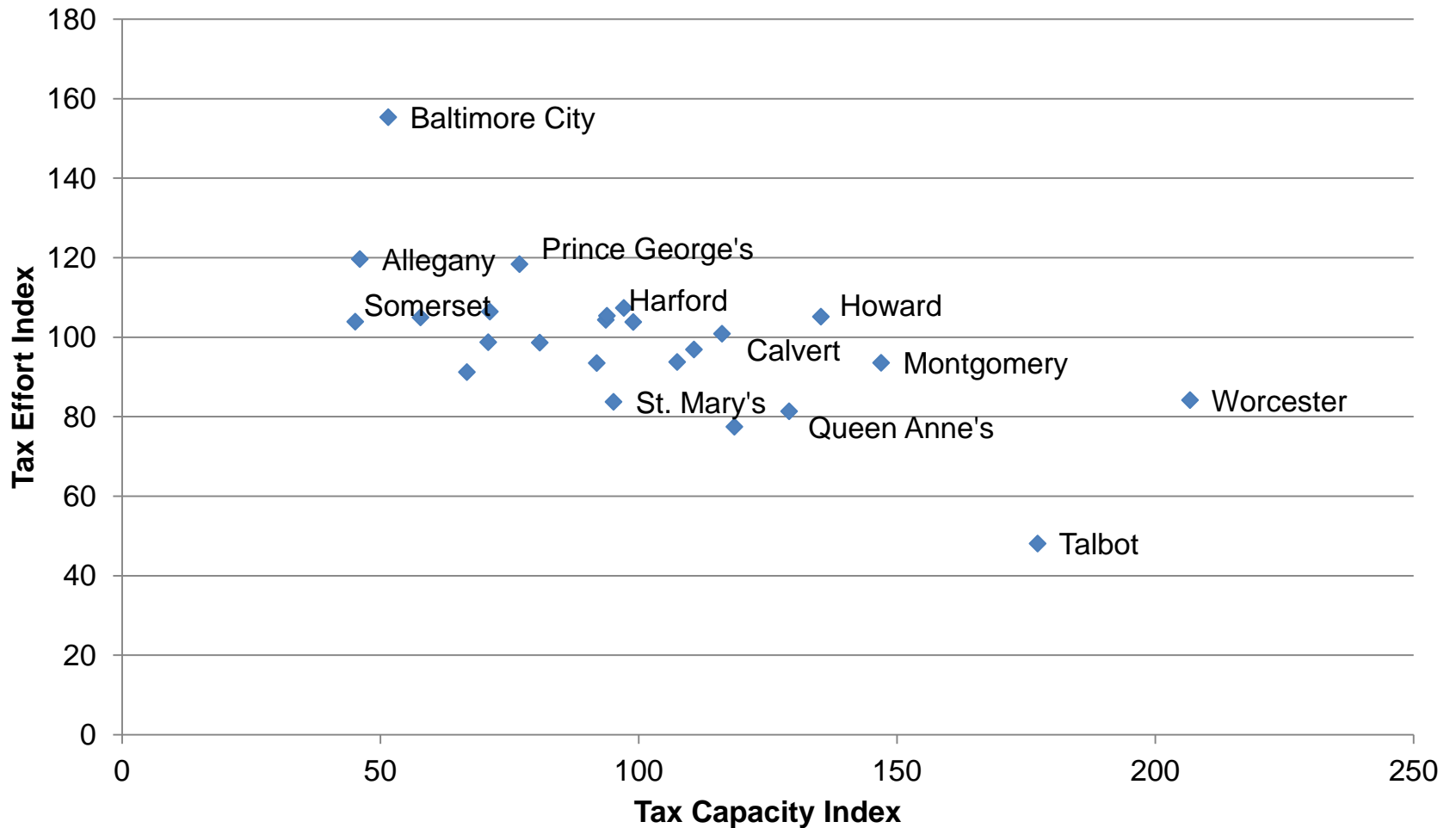
County	Population	Net Taxable Income	Income Tax Revenues	Hypothetical Yield	Tax Effort Index	Rank
Allegany	74,489	\$867,159,177	\$27,395,044	\$27,488,862	100	10
Anne Arundel	544,818	14,986,617,818	399,711,190	475,074,332	84	22
Baltimore City	620,216	8,051,308,975	261,949,606	255,225,714	103	4
Baltimore	812,401	19,946,005,963	593,204,019	632,286,455	94	14
Calvert	89,264	2,215,949,901	65,133,772	70,245,397	93	16
Caroline	32,954	429,140,344	11,659,751	13,603,707	86	20
Carroll	167,313	4,089,627,711	132,618,587	129,640,802	102	5
Cecil	101,628	1,759,952,067	51,889,394	55,790,310	93	15
Charles	149,242	3,141,770,045	98,619,346	99,593,806	99	11
Dorchester	32,703	417,778,692	11,566,477	13,243,544	87	19
Frederick	237,309	5,775,941,605	179,527,568	183,096,789	98	13
Garrett	30,097	412,503,688	11,144,195	13,076,327	85	21
Harford	246,651	5,733,676,214	183,216,650	181,756,980	101	8
Howard	293,879	10,592,421,581	357,346,675	335,778,737	106	3
Kent	20,265	387,847,197	11,051,225	12,294,719	90	18
Montgomery	991,645	37,842,987,745	1,290,228,986	1,199,619,042	108	2
Prince George's	874,045	14,527,642,047	506,195,137	460,524,844	110	1
Queen Anne's	48,400	1,163,778,140	36,430,512	36,891,654	99	12
St. Mary's	107,681	2,397,213,804	76,706,915	75,991,445	101	7
Somerset	26,370	201,251,309	6,424,032	6,379,647	101	9
Talbot	37,974	1,072,816,174	22,011,686	34,008,169	65	23
Washington	148,817	2,357,087,753	67,732,696	74,719,453	91	17
Wicomico	99,965	1,340,319,203	43,437,689	42,487,989	102	6
Worcester	51,446	961,581,794	14,099,619	30,482,050	46	24
Total	5,839,572	\$140,672,378,940	\$4,459,300,771	\$4,459,300,771	100	

Combined Tax Effort Index

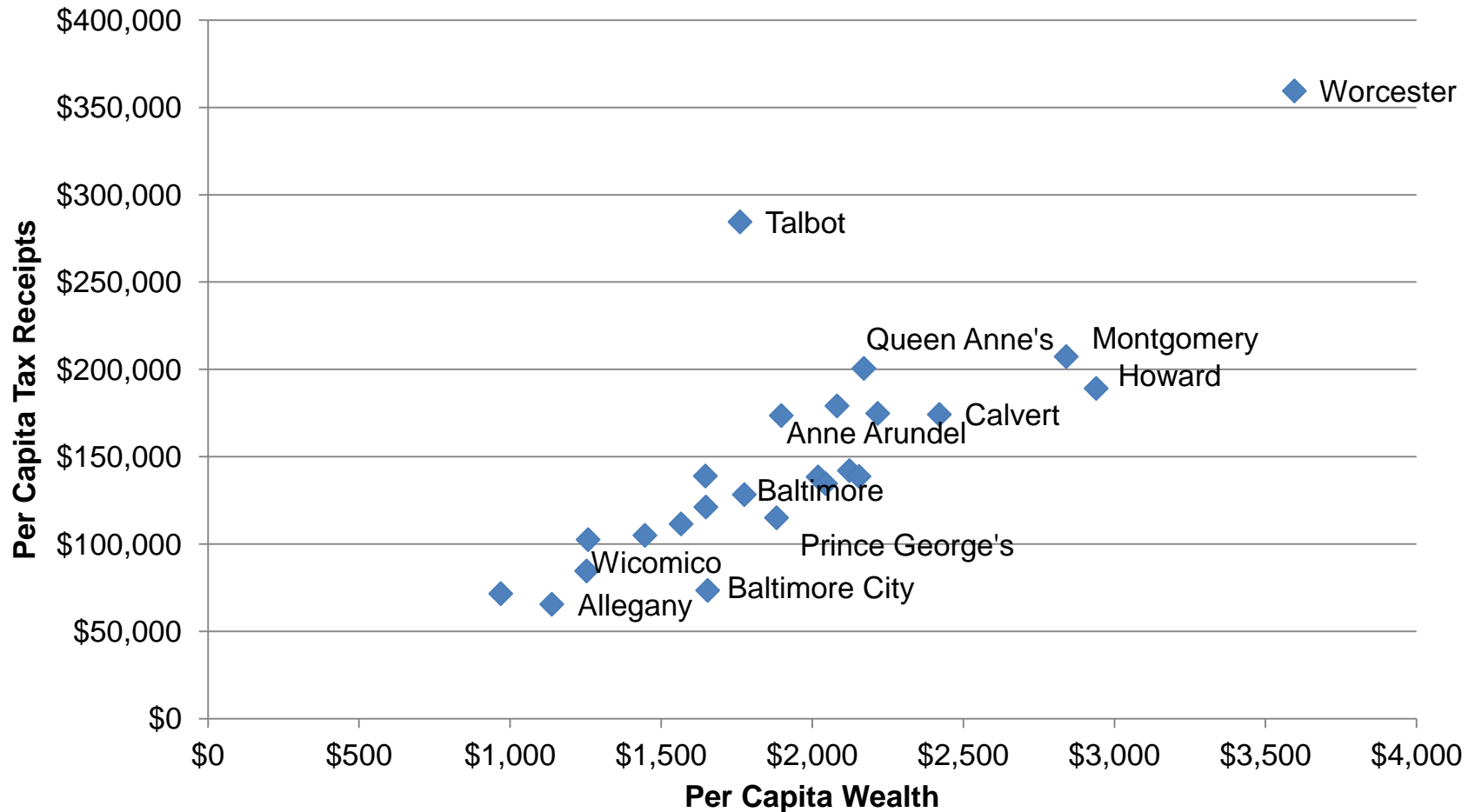
Fiscal 2012

County	Population	Property Hypothetical Yield	Income Hypothetical Yield	Combined Hypothetical Yield	Property Tax Revenues	Income Tax Revenues	Combined Tax Revenues	Tax Effort Index	Rank
Allegany	74,489	\$43,346,406	\$27,488,862	\$70,835,268	\$57,361,565	\$27,395,044	\$84,756,609	120	2
Anne Arundel	544,818	859,354,198	475,074,332	1,334,428,529	634,043,908	399,711,190	1,033,755,098	77	23
Baltimore City	620,216	405,068,612	255,225,714	660,294,326	763,768,773	261,949,606	1,025,718,379	155	1
Baltimore	812,401	910,234,374	632,286,455	1,542,520,829	848,970,203	593,204,019	1,442,174,222	93	18
Calvert	89,264	143,966,734	70,245,397	214,212,131	150,942,663	65,133,772	216,076,435	101	12
Caroline	32,954	31,850,240	13,603,707	45,453,947	29,802,280	11,659,751	41,462,031	91	19
Carroll	167,313	212,476,091	129,640,802	342,116,892	222,570,552	132,618,587	355,189,139	104	11
Cecil	101,628	114,007,194	55,790,310	169,797,504	115,581,522	51,889,394	167,470,916	99	14
Charles	149,242	189,182,720	99,593,806	288,776,525	202,746,177	98,619,346	301,365,523	104	9
Dorchester	32,703	34,869,631	13,243,544	48,113,175	39,640,484	11,566,477	51,206,961	106	5
Frederick	237,309	293,192,376	183,096,789	476,289,165	331,785,736	179,527,568	511,313,304	107	4
Garrett	30,097	53,751,119	13,076,327	66,827,446	51,513,396	11,144,195	62,657,591	94	16
Harford	246,651	296,616,859	181,756,980	478,373,839	320,938,045	183,216,650	504,154,695	105	6
Howard	293,879	485,726,824	335,778,737	821,505,561	506,546,740	357,346,675	863,893,415	105	7
Kent	20,265	34,063,037	12,294,719	46,357,756	33,869,193	11,051,225	44,920,418	97	15
Montgomery	991,645	1,811,248,201	1,199,619,042	3,010,867,243	1,526,509,303	1,290,228,986	2,816,738,289	94	17
Prince George's	874,045	928,963,342	460,524,844	1,389,488,186	1,138,561,971	506,195,137	1,644,757,108	118	3
Queen Anne's	48,400	92,250,533	36,891,654	129,142,188	68,636,317	36,430,512	105,066,829	81	22
St. Mary's	107,681	135,692,905	75,991,445	211,684,350	100,558,532	76,706,915	177,265,447	84	21
Somerset	26,370	18,213,428	6,379,647	24,593,075	19,128,021	6,424,032	25,552,053	104	10
Talbot	37,974	105,063,891	34,008,169	139,072,059	44,855,626	22,011,686	66,867,312	48	24
Washington	148,817	143,243,997	74,719,453	217,963,451	147,474,183	67,732,696	215,206,879	99	13
Wicomico	99,965	76,844,136	42,487,989	119,332,125	81,828,604	43,437,689	125,266,293	105	8
Worcester	51,446	189,291,761	30,482,050	219,773,811	170,884,817	14,099,619	184,984,436	84	20
Total	5,839,572	\$7,608,518,611	\$4,459,300,771	\$12,067,819,382	\$7,608,518,611	\$4,459,300,771	\$12,067,819,382	100	

Correlation of Tax Capacity and Tax Effort



Correlation of Tax Revenues and Local Wealth



Tax Capacity and Effort Measures Have Strengths and Weaknesses

Strengths

- Reliable measure of relative trends in the fiscal well-being of a jurisdiction
- Measures can be used across all jurisdictions in the State
- Useful to gauge the level of equalization of State aid

Weaknesses

- Ignores local demand for or acceptance of higher taxes and fees
- Not an indicator for an “ideal” revenue mix or level of taxation
- Some local revenues not included in the calculations