
Tax Capacity and Effort of Local Governments in Maryland Fiscal 2014

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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 \$64,958 in Somerset County to a high of \$307,760 in Worcester County – the statewide average is \$137,300
- 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 nearly 90% of total local taxes

**Local Wealth Calculation for Maryland Counties
Fiscal 2014**

County	Population	Assessable Base	Income Base	Total Wealth Amount	Per Capita Wealth Amount	Ranking
Allegany	73,531	\$3,910,750,000	\$909,862,951	\$4,820,612,951	\$65,559	23
Anne Arundel	556,348	76,405,438,000	16,074,092,782	92,479,530,782	166,226	8
Baltimore City	623,404	34,582,451,250	8,803,343,525	43,385,794,775	69,595	22
Baltimore	823,883	78,477,913,000	21,748,965,034	100,226,878,034	121,652	15
Calvert	90,480	12,277,912,000	2,356,961,590	14,634,873,590	161,747	9
Caroline	32,642	2,651,005,000	454,010,582	3,105,015,582	95,123	20
Carroll	167,494	18,588,705,000	4,414,528,859	23,003,233,859	137,338	10
Cecil	101,999	9,657,230,000	1,883,182,774	11,540,412,774	113,142	16
Charles	152,900	16,383,332,000	3,433,818,595	19,817,150,595	129,609	14
Dorchester	32,612	2,981,840,000	452,926,993	3,434,766,993	105,322	17
Frederick	241,414	25,734,580,000	6,325,873,565	32,060,453,565	132,803	12
Garrett	29,950	4,822,283,000	441,359,600	5,263,642,600	175,748	6
Harford	249,415	26,605,582,000	6,093,408,671	32,698,990,671	131,103	13
Howard	304,934	44,280,927,750	11,439,971,659	55,720,899,409	182,731	5
Kent	19,799	3,013,117,000	432,620,778	3,445,737,778	174,036	7
Montgomery	1,019,767	164,696,351,000	39,654,383,034	204,350,734,034	200,390	3
Prince George's	894,199	76,137,875,500	15,414,948,161	91,552,823,661	102,385	18
Queen Anne's	48,572	7,699,153,000	1,264,921,616	8,964,074,616	184,552	4
St. Mary's	109,484	12,060,567,000	2,540,019,412	14,600,586,412	133,358	11
Somerset	26,139	1,483,405,000	214,520,868	1,697,925,868	64,958	24
Talbot	37,949	8,846,903,000	1,142,141,792	9,989,044,792	263,223	2
Washington	149,266	12,420,699,000	2,539,520,529	14,960,219,529	100,225	19
Wicomico	100,961	6,310,794,000	1,444,042,012	7,754,836,012	76,810	21
Worcester	51,595	14,838,405,000	1,040,478,618	15,878,883,618	307,760	1
Total	5,938,737	\$664,867,218,500	\$150,519,903,994	\$815,387,122,494	\$137,300	

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 \$53,185 in Allegany County to \$287,594 in Worcester County – the statewide average is \$111,954
- Using statewide average property tax rates, Allegany County would be able to generate \$616 per capita; whereas, Worcester County would be able to generate \$3,331 per capita – the statewide average is \$1,297 per capita

**Per Capita Assessable Base in Maryland Counties
Fiscal 2014**

County	Population	Assessable Base	Per Capita Basis	
			Amount	Ranking
Allegany	73,531	\$3,910,750,000	\$53,185	24
Anne Arundel	556,348	76,405,438,000	137,334	8
Baltimore City	623,404	34,582,451,250	55,474	23
Baltimore	823,883	78,477,913,000	95,254	15
Calvert	90,480	12,277,912,000	135,698	9
Caroline	32,642	2,651,005,000	81,215	20
Carroll	167,494	18,588,705,000	110,981	10
Cecil	101,999	9,657,230,000	94,680	16
Charles	152,900	16,383,332,000	107,151	12
Dorchester	32,612	2,981,840,000	91,434	17
Frederick	241,414	25,734,580,000	106,599	14
Garrett	29,950	4,822,283,000	161,011	4
Harford	249,415	26,605,582,000	106,672	13
Howard	304,934	44,280,927,750	145,215	7
Kent	19,799	3,013,117,000	152,185	6
Montgomery	1,019,767	164,696,351,000	161,504	3
Prince George's	894,199	76,137,875,500	85,146	18
Queen Anne's	48,572	7,699,153,000	158,510	5
St. Mary's	109,484	12,060,567,000	110,158	11
Somerset	26,139	1,483,405,000	56,751	22
Talbot	37,949	8,846,903,000	233,126	2
Washington	149,266	12,420,699,000	83,212	19
Wicomico	100,961	6,310,794,000	62,507	21
Worcester	51,595	14,838,405,000	287,594	1
Total	5,938,737	\$664,867,218,500	\$111,954	

**Property Tax Capacity Index
Fiscal 2014**

County	Population	Assessable Base	Property Tax Revenues	Hypothetical Yield	Per Capita Hypothetical Yield	Tax Capacity Index	Rank
Allegany	73,531	\$3,910,750,000	\$59,547,235	\$45,290,218	\$616	48	24
Anne Arundel	556,348	76,405,438,000	680,360,404	884,847,901	1,590	123	8
Baltimore City	623,404	34,582,451,250	763,890,071	400,497,795	642	50	23
Baltimore	823,883	78,477,913,000	857,877,446	908,849,140	1,103	85	15
Calvert	90,480	12,277,912,000	142,971,302	142,189,940	1,572	121	9
Caroline	32,642	2,651,005,000	30,390,771	30,701,168	941	73	20
Carroll	167,494	18,588,705,000	213,035,785	215,274,947	1,285	99	10
Cecil	101,999	9,657,230,000	117,074,690	111,839,941	1,096	85	16
Charles	152,900	16,383,332,000	217,619,484	189,734,622	1,241	96	12
Dorchester	32,612	2,981,840,000	39,253,986	34,532,553	1,059	82	17
Frederick	241,414	25,734,580,000	323,474,454	298,031,000	1,235	95	14
Garrett	29,950	4,822,283,000	53,955,343	55,846,640	1,865	144	4
Harford	249,415	26,605,582,000	310,637,239	308,118,035	1,235	95	13
Howard	304,934	44,280,927,750	538,238,599	512,815,410	1,682	130	7
Kent	19,799	3,013,117,000	33,620,532	34,894,771	1,762	136	6
Montgomery	1,019,767	164,696,351,000	1,627,414,424	1,907,340,948	1,870	144	3
Prince George's	894,199	76,137,875,500	1,053,349,463	881,749,272	986	76	18
Queen Anne's	48,572	7,699,153,000	67,326,584	89,163,541	1,836	142	5
St. Mary's	109,484	12,060,567,000	103,547,246	139,672,878	1,276	98	11
Somerset	26,139	1,483,405,000	18,038,921	17,179,246	657	51	22
Talbot	37,949	8,846,903,000	47,299,898	102,455,581	2,700	208	2
Washington	149,266	12,420,699,000	146,640,596	143,843,550	964	74	19
Wicomico	100,961	6,310,794,000	87,721,045	73,085,018	724	56	21
Worcester	51,595	14,838,405,000	166,511,490	171,842,893	3,331	257	1
Total	5,938,737	\$664,867,218,500	\$7,699,797,008	\$7,699,797,008	\$1,297	100	

Note: Hypothetical yield represents the revenue amount generated by applying the statewide average property tax rate to each county's assessable base.

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 \$8,207 in Somerset County to \$38,886 in Montgomery County – the statewide average is \$25,345
- Using statewide average income tax rates, Somerset County would be able to generate \$263 per capita; whereas, Montgomery County would be able to generate \$1,247 per capita – the statewide average is \$812 per capita

**Per Capita Net Taxable Income in Maryland Counties
Fiscal 2014**

County	Population	Net Taxable Income	Per Capita Basis Amount	Ranking
Allegany	73,531	\$909,862,951	\$12,374	23
Anne Arundel	556,348	16,074,092,782	28,892	4
Baltimore City	623,404	8,803,343,525	14,121	20
Baltimore	823,883	21,748,965,034	26,398	5
Calvert	90,480	2,356,961,590	26,050	8
Caroline	32,642	454,010,582	13,909	21
Carroll	167,494	4,414,528,859	26,356	6
Cecil	101,999	1,883,182,774	18,463	15
Charles	152,900	3,433,818,595	22,458	12
Dorchester	32,612	452,926,993	13,888	22
Frederick	241,414	6,325,873,565	26,203	7
Garrett	29,950	441,359,600	14,737	18
Harford	249,415	6,093,408,671	24,431	10
Howard	304,934	11,439,971,659	37,516	2
Kent	19,799	432,620,778	21,851	13
Montgomery	1,019,767	39,654,383,034	38,886	1
Prince George's	894,199	15,414,948,161	17,239	16
Queen Anne's	48,572	1,264,921,616	26,042	9
St. Mary's	109,484	2,540,019,412	23,200	11
Somerset	26,139	214,520,868	8,207	24
Talbot	37,949	1,142,141,792	30,097	3
Washington	149,266	2,539,520,529	17,013	17
Wicomico	100,961	1,444,042,012	14,303	19
Worcester	51,595	1,040,478,618	20,166	14
Total	5,938,737	\$150,519,903,994	\$25,345	

**Income Tax Capacity Index
Fiscal 2014**

County	Population	Net Taxable Income	Income Tax Revenues	Hypothetical Yield	Per Capita Hypothetical Yield	Tax Capacity Index	Rank
Allegany	73,531	\$909,862,951	\$26,909,553	\$29,166,813	\$397	49	23
Anne Arundel	556,348	16,074,092,782	442,261,495	515,275,475	926	114	4
Baltimore City	623,404	8,803,343,525	287,219,970	282,202,366	453	56	20
Baltimore	823,883	21,748,965,034	667,924,145	697,190,718	846	104	5
Calvert	90,480	2,356,961,590	67,702,482	75,555,400	835	103	8
Caroline	32,642	454,010,582	12,043,093	14,553,886	446	55	21
Carroll	167,494	4,414,528,859	137,414,170	141,513,334	845	104	6
Cecil	101,999	1,883,182,774	53,215,071	60,367,817	592	73	15
Charles	152,900	3,433,818,595	101,049,521	110,075,420	720	89	12
Dorchester	32,612	452,926,993	12,898,389	14,519,150	445	55	22
Frederick	241,414	6,325,873,565	184,698,037	202,783,918	840	103	7
Garrett	29,950	441,359,600	11,361,757	14,148,343	472	58	18
Harford	249,415	6,093,408,671	194,440,784	195,331,960	783	96	10
Howard	304,934	11,439,971,659	392,660,793	366,722,832	1,203	148	2
Kent	19,799	432,620,778	14,559,950	13,868,209	700	86	13
Montgomery	1,019,767	39,654,383,034	1,416,718,294	1,271,171,650	1,247	153	1
Prince George's	894,199	15,414,948,161	514,498,805	494,145,756	553	68	16
Queen Anne's	48,572	1,264,921,616	40,900,111	40,548,670	835	103	9
St. Mary's	109,484	2,540,019,412	77,811,287	81,423,551	744	92	11
Somerset	26,139	214,520,868	6,485,943	6,876,739	263	32	24
Talbot	37,949	1,142,141,792	29,124,630	36,612,807	965	119	3
Washington	149,266	2,539,520,529	72,298,610	81,407,558	545	67	17
Wicomico	100,961	1,444,042,012	45,782,665	46,290,602	458	56	19
Worcester	51,595	1,040,478,618	15,127,283	33,353,865	646	80	14
Total	5,938,737	\$150,519,903,994	\$4,825,106,838	\$4,825,106,838	\$812	100	

Note: Hypothetical yield represents the revenue amount generated by applying the statewide average income tax rate to each county's net taxable income.

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 \$920 per capita; whereas, Worcester County would be able to generate \$3,977 per capita – the statewide average is \$2,109 per capita

**Combined Tax Capacity Index
Fiscal 2014**

County	Population	Property Hypothetical Yield	Income Hypothetical Yield	Combined Hypothetical Yield	County Yield Per Capita	Tax Capacity Index	Rank
Allegany	73,531	\$45,290,218	\$29,166,813	\$74,457,031	\$1,013	48	23
Anne Arundel	556,348	884,847,901	515,275,475	1,400,123,376	2,517	119	6
Baltimore City	623,404	400,497,795	282,202,366	682,700,161	1,095	52	22
Baltimore	823,883	908,849,140	697,190,718	1,606,039,858	1,949	92	15
Calvert	90,480	142,189,940	75,555,400	217,745,340	2,407	114	8
Caroline	32,642	30,701,168	14,553,886	45,255,055	1,386	66	20
Carroll	167,494	215,274,947	141,513,334	356,788,280	2,130	101	10
Cecil	101,999	111,839,941	60,367,817	172,207,759	1,688	80	16
Charles	152,900	189,734,622	110,075,420	299,810,042	1,961	93	14
Dorchester	32,612	34,532,553	14,519,150	49,051,704	1,504	71	19
Frederick	241,414	298,031,000	202,783,918	500,814,918	2,075	98	11
Garrett	29,950	55,846,640	14,148,343	69,994,983	2,337	111	9
Harford	249,415	308,118,035	195,331,960	503,449,995	2,019	96	13
Howard	304,934	512,815,410	366,722,832	879,538,242	2,884	137	4
Kent	19,799	34,894,771	13,868,209	48,762,980	2,463	117	7
Montgomery	1,019,767	1,907,340,948	1,271,171,650	3,178,512,598	3,117	148	3
Prince George's	894,199	881,749,272	494,145,756	1,375,895,028	1,539	73	17
Queen Anne's	48,572	89,163,541	40,548,670	129,712,211	2,671	127	5
St. Mary's	109,484	139,672,878	81,423,551	221,096,428	2,019	96	12
Somerset	26,139	17,179,246	6,876,739	24,055,985	920	44	24
Talbot	37,949	102,455,581	36,612,807	139,068,388	3,665	174	2
Washington	149,266	143,843,550	81,407,558	225,251,108	1,509	72	18
Wicomico	100,961	73,085,018	46,290,602	119,375,620	1,182	56	21
Worcester	51,595	171,842,893	33,353,865	205,196,758	3,977	189	1
Total	5,938,737	\$7,699,797,008	\$4,825,106,838	\$12,524,903,846	\$2,109	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 2014**

County	Population	Combined Hypothetical Yield	State Aid Amount	Adjusted Hypothetical Yield	Adjusted Yield Per Capita	Adjusted Capacity Index	Rank
Allegany	73,531	\$74,457,031	\$107,850,674	\$182,307,705	\$2,479	75	23
Anne Arundel	556,348	1,400,123,376	466,181,697	1,866,305,073	3,355	102	9
Baltimore City	623,404	682,700,161	1,419,665,909	2,102,366,070	3,372	103	8
Baltimore	823,883	1,606,039,858	750,411,215	2,356,451,073	2,860	87	19
Calvert	90,480	217,745,340	104,186,072	321,931,412	3,558	108	6
Caroline	32,642	45,255,055	58,995,729	104,250,784	3,194	97	13
Carroll	167,494	356,788,280	175,823,201	532,611,481	3,180	97	14
Cecil	101,999	172,207,759	127,154,879	299,362,638	2,935	89	17
Charles	152,900	299,810,042	197,999,562	497,809,604	3,256	99	12
Dorchester	32,612	49,051,704	45,941,172	94,992,876	2,913	89	18
Frederick	241,414	500,814,918	288,224,195	789,039,113	3,268	99	10
Garrett	29,950	69,994,983	34,522,856	104,517,839	3,490	106	7
Harford	249,415	503,449,995	259,811,810	763,261,805	3,060	93	16
Howard	304,934	879,538,242	309,397,545	1,188,935,787	3,899	119	4
Kent	19,799	48,762,980	15,774,759	64,537,739	3,260	99	11
Montgomery	1,019,767	3,178,512,598	855,590,931	4,034,103,529	3,956	120	3
Prince George's	894,199	1,375,895,028	1,155,955,921	2,531,850,949	2,831	86	21
Queen Anne's	48,572	129,712,211	44,452,447	174,164,658	3,586	109	5
St. Mary's	109,484	221,096,428	115,683,977	336,780,405	3,076	94	15
Somerset	26,139	24,055,985	39,773,700	63,829,685	2,442	74	24
Talbot	37,949	139,068,388	20,487,329	159,555,717	4,204	128	2
Washington	149,266	225,251,108	200,620,950	425,872,058	2,853	87	20
Wicomico	100,961	119,375,620	156,129,107	275,504,727	2,729	83	22
Worcester	51,595	205,196,758	35,083,358	240,280,116	4,657	142	1
Total	5,938,737	\$12,524,903,846	\$6,985,718,995	\$19,510,622,841	\$3,285	100	

**Comparison of Tax Capacity Index and State Aid Adjusted Index
Fiscal 2014**

County	Population	County Yield Per Capita	Tax Capacity Index	Rank	Adjusted Yield Per Capita	Adjusted Capacity Index	Rank
Allegany	73,531	\$1,013	48	23	\$2,479	75	23
Anne Arundel	556,348	2,517	119	6	3,355	102	9
Baltimore City	623,404	1,095	52	22	3,372	103	8
Baltimore	823,883	1,949	92	15	2,860	87	19
Calvert	90,480	2,407	114	8	3,558	108	6
Caroline	32,642	1,386	66	20	3,194	97	13
Carroll	167,494	2,130	101	10	3,180	97	14
Cecil	101,999	1,688	80	16	2,935	89	17
Charles	152,900	1,961	93	14	3,256	99	12
Dorchester	32,612	1,504	71	19	2,913	89	18
Frederick	241,414	2,075	98	11	3,268	99	10
Garrett	29,950	2,337	111	9	3,490	106	7
Harford	249,415	2,019	96	13	3,060	93	16
Howard	304,934	2,884	137	4	3,899	119	4
Kent	19,799	2,463	117	7	3,260	99	11
Montgomery	1,019,767	3,117	148	3	3,956	120	3
Prince George's	894,199	1,539	73	17	2,831	86	21
Queen Anne's	48,572	2,671	127	5	3,586	109	5
St. Mary's	109,484	2,019	96	12	3,076	94	15
Somerset	26,139	920	44	24	2,442	74	24
Talbot	37,949	3,665	174	2	4,204	128	2
Washington	149,266	1,509	72	18	2,853	87	20
Wicomico	100,961	1,182	56	21	2,729	83	22
Worcester	51,595	3,977	189	1	4,657	142	1
Total	5,938,737	\$2,109	100		\$3,285	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 (a low-wealth jurisdiction) has an 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 2014**

County	Population	Assessable Base	Property Tax Revenues	Hypothetical Yield	Tax Effort Index	Rank
Allegany	73,531	\$3,910,750,000	\$59,547,235	\$45,290,218	131	2
Anne Arundel	556,348	76,405,438,000	680,360,404	884,847,901	77	21
Baltimore City	623,404	34,582,451,250	763,890,071	400,497,795	191	1
Baltimore	823,883	78,477,913,000	857,877,446	908,849,140	94	19
Calvert	90,480	12,277,912,000	142,971,302	142,189,940	101	13
Caroline	32,642	2,651,005,000	30,390,771	30,701,168	99	14
Carroll	167,494	18,588,705,000	213,035,785	215,274,947	99	15
Cecil	101,999	9,657,230,000	117,074,690	111,839,941	105	10
Charles	152,900	16,383,332,000	217,619,484	189,734,622	115	5
Dorchester	32,612	2,981,840,000	39,253,986	34,532,553	114	6
Frederick	241,414	25,734,580,000	323,474,454	298,031,000	109	7
Garrett	29,950	4,822,283,000	53,955,343	55,846,640	97	17
Harford	249,415	26,605,582,000	310,637,239	308,118,035	101	12
Howard	304,934	44,280,927,750	538,238,599	512,815,410	105	9
Kent	19,799	3,013,117,000	33,620,532	34,894,771	96	18
Montgomery	1,019,767	164,696,351,000	1,627,414,424	1,907,340,948	85	20
Prince George's	894,199	76,137,875,500	1,053,349,463	881,749,272	119	4
Queen Anne's	48,572	7,699,153,000	67,326,584	89,163,541	76	22
St. Mary's	109,484	12,060,567,000	103,547,246	139,672,878	74	23
Somerset	26,139	1,483,405,000	18,038,921	17,179,246	105	8
Talbot	37,949	8,846,903,000	47,299,898	102,455,581	46	24
Washington	149,266	12,420,699,000	146,640,596	143,843,550	102	11
Wicomico	100,961	6,310,794,000	87,721,045	73,085,018	120	3
Worcester	51,595	14,838,405,000	166,511,490	171,842,893	97	16
Total	5,938,737	\$664,867,218,500	\$7,699,797,008	\$7,699,797,008	100	

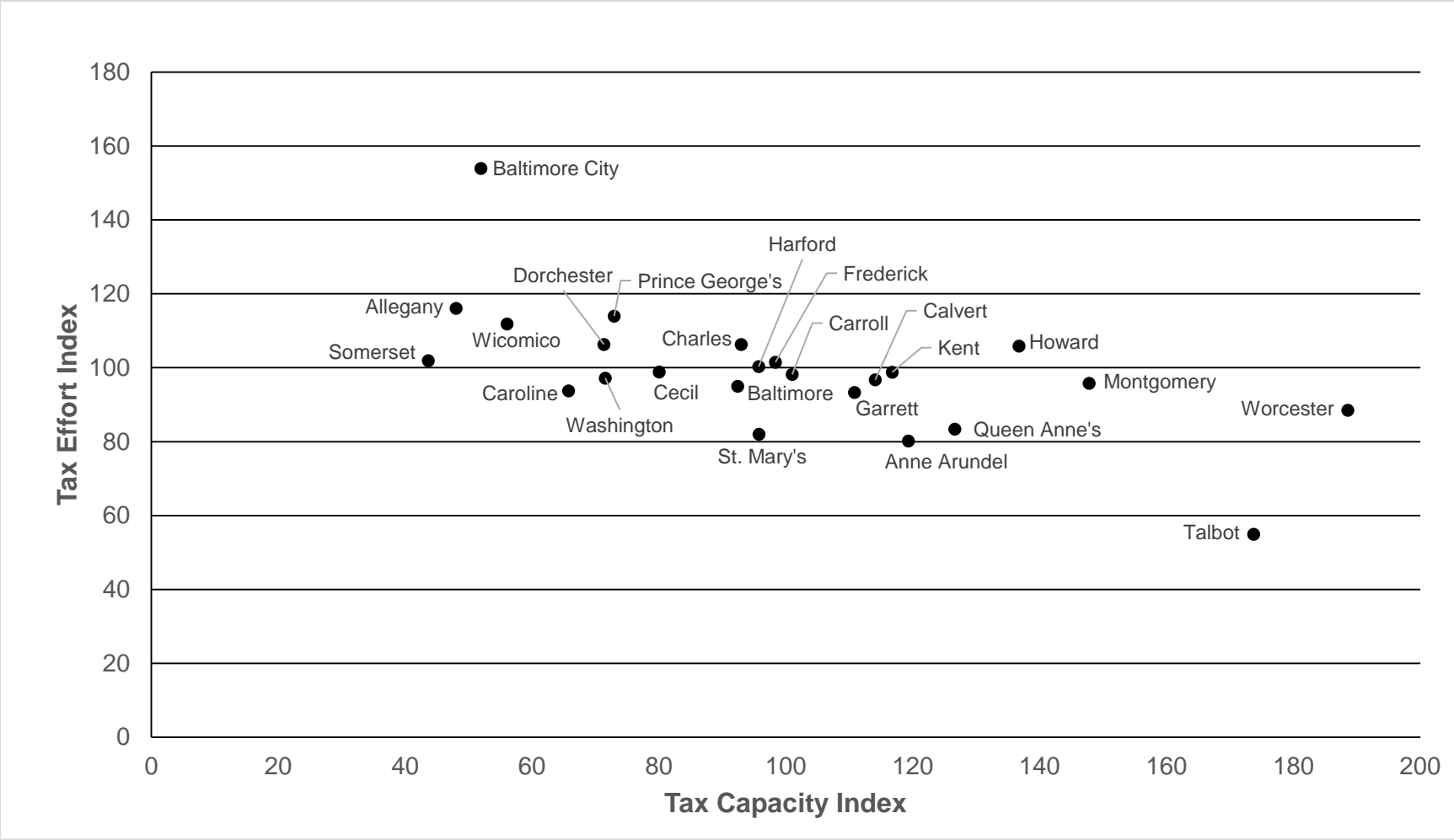
**Income Tax Effort Index
Fiscal 2014**

County	Population	Net Taxable Income	Income Tax Revenues	Hypothetical Yield	Tax Effort Index	Rank
Allegany	73,531	\$909,862,951	\$26,909,553	\$29,166,813	92	13
Anne Arundel	556,348	16,074,092,782	442,261,495	515,275,475	86	20
Baltimore City	623,404	8,803,343,525	287,219,970	282,202,366	102	5
Baltimore	823,883	21,748,965,034	667,924,145	697,190,718	96	10
Calvert	90,480	2,356,961,590	67,702,482	75,555,400	90	16
Caroline	32,642	454,010,582	12,043,093	14,553,886	83	21
Carroll	167,494	4,414,528,859	137,414,170	141,513,334	97	9
Cecil	101,999	1,883,182,774	53,215,071	60,367,817	88	19
Charles	152,900	3,433,818,595	101,049,521	110,075,420	92	14
Dorchester	32,612	452,926,993	12,898,389	14,519,150	89	17
Frederick	241,414	6,325,873,565	184,698,037	202,783,918	91	15
Garrett	29,950	441,359,600	11,361,757	14,148,343	80	22
Harford	249,415	6,093,408,671	194,440,784	195,331,960	100	7
Howard	304,934	11,439,971,659	392,660,793	366,722,832	107	2
Kent	19,799	432,620,778	14,559,950	13,868,209	105	3
Montgomery	1,019,767	39,654,383,034	1,416,718,294	1,271,171,650	111	1
Prince George's	894,199	15,414,948,161	514,498,805	494,145,756	104	4
Queen Anne's	48,572	1,264,921,616	40,900,111	40,548,670	101	6
St. Mary's	109,484	2,540,019,412	77,811,287	81,423,551	96	11
Somerset	26,139	214,520,868	6,485,943	6,876,739	94	12
Talbot	37,949	1,142,141,792	29,124,630	36,612,807	80	23
Washington	149,266	2,539,520,529	72,298,610	81,407,558	89	18
Wicomico	100,961	1,444,042,012	45,782,665	46,290,602	99	8
Worcester	51,595	1,040,478,618	15,127,283	33,353,865	45	24
Total	5,938,737	\$150,519,903,994	\$4,825,106,838	\$4,825,106,838	100	

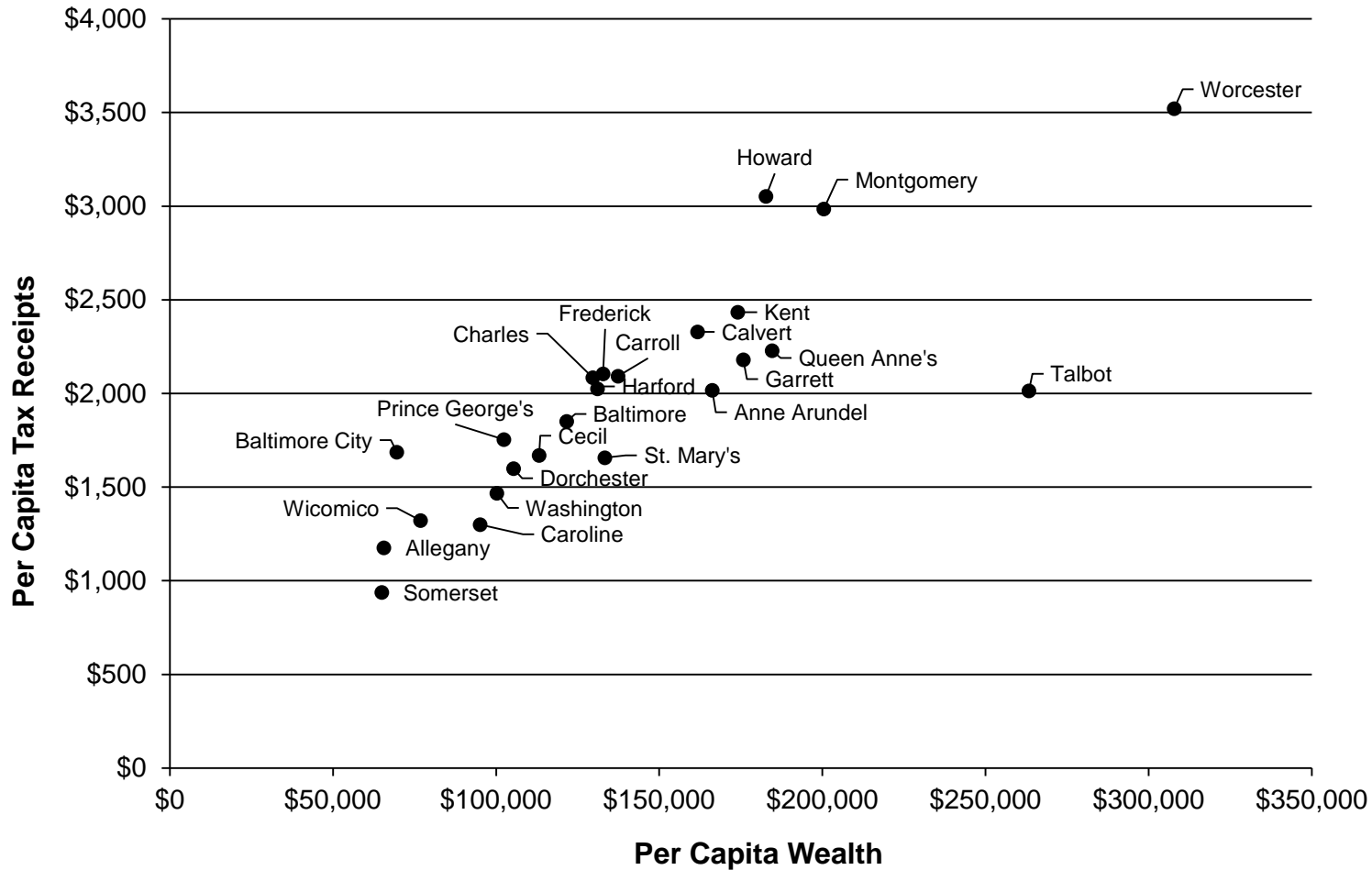
Combined Tax Effort Index Fiscal 2014

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	73,531	\$45,290,218	\$29,166,813	\$74,457,031	\$59,547,235	\$26,909,553	\$86,456,788	116	2
Anne Arundel	556,348	884,847,901	515,275,475	1,400,123,376	680,360,404	442,261,495	1,122,621,899	80	23
Baltimore City	623,404	400,497,795	282,202,366	682,700,161	763,890,071	287,219,970	1,051,110,041	154	1
Baltimore	823,883	908,849,140	697,190,718	1,606,039,858	857,877,446	667,924,145	1,525,801,591	95	17
Calvert	90,480	142,189,940	75,555,400	217,745,340	142,971,302	67,702,482	210,673,784	97	15
Caroline	32,642	30,701,168	14,553,886	45,255,055	30,390,771	12,043,093	42,433,864	94	18
Carroll	167,494	215,274,947	141,513,334	356,788,280	213,035,785	137,414,170	350,449,955	98	13
Cecil	101,999	111,839,941	60,367,817	172,207,759	117,074,690	53,215,071	170,289,761	99	11
Charles	152,900	189,734,622	110,075,420	299,810,042	217,619,484	101,049,521	318,669,005	106	6
Dorchester	32,612	34,532,553	14,519,150	49,051,704	39,253,986	12,898,389	52,152,375	106	5
Frederick	241,414	298,031,000	202,783,918	500,814,918	323,474,454	184,698,037	508,172,491	101	9
Garrett	29,950	55,846,640	14,148,343	69,994,983	53,955,343	11,361,757	65,317,100	93	19
Harford	249,415	308,118,035	195,331,960	503,449,995	310,637,239	194,440,784	505,078,023	100	10
Howard	304,934	512,815,410	366,722,832	879,538,242	538,238,599	392,660,793	930,899,392	106	7
Kent	19,799	34,894,771	13,868,209	48,762,980	33,620,532	14,559,950	48,180,482	99	12
Montgomery	1,019,767	1,907,340,948	1,271,171,650	3,178,512,598	1,627,414,424	1,416,718,294	3,044,132,718	96	16
Prince George's	894,199	881,749,272	494,145,756	1,375,895,028	1,053,349,463	514,498,805	1,567,848,268	114	3
Queen Anne's	48,572	89,163,541	40,548,670	129,712,211	67,326,584	40,900,111	108,226,695	83	21
St. Mary's	109,484	139,672,878	81,423,551	221,096,428	103,547,246	77,811,287	181,358,533	82	22
Somerset	26,139	17,179,246	6,876,739	24,055,985	18,038,921	6,485,943	24,524,864	102	8
Talbot	37,949	102,455,581	36,612,807	139,068,388	47,299,898	29,124,630	76,424,528	55	24
Washington	149,266	143,843,550	81,407,558	225,251,108	146,640,596	72,298,610	218,939,206	97	14
Wicomico	100,961	73,085,018	46,290,602	119,375,620	87,721,045	45,782,665	133,503,710	112	4
Worcester	51,595	171,842,893	33,353,865	205,196,758	166,511,490	15,127,283	181,638,773	89	20
Total	5,938,737	\$7,699,797,008	\$4,825,106,838	\$12,524,903,846	\$7,699,797,008	\$4,825,106,838	\$12,524,903,846	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