
Tax Capacity and Effort of Local Governments in Maryland

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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

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 \$62,158 in Allegany County to a high of \$391,790 in Worcester County – the statewide average is \$155,308
- 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 2010

County	Population	Assessable Base	Income Base	Total Wealth Amount	Per Capita Wealth Amount	Ranking
Allegany	75,087	\$3,816,560,000	\$850,697,040	\$4,667,257,040	\$62,158	24
Anne Arundel	537,656	86,849,623,000	13,243,780,079	100,093,403,079	186,166	6
Baltimore City	620,961	38,190,377,000	7,309,760,703	45,500,137,703	73,274	23
Baltimore	805,029	88,989,970,000	17,419,419,760	106,409,389,760	132,181	15
Calvert	88,737	13,951,302,000	2,032,691,975	15,983,993,975	180,128	7
Caroline	33,066	3,199,323,000	401,830,567	3,601,153,567	108,908	20
Carroll	167,134	22,093,994,000	3,632,594,106	25,726,588,106	153,928	12
Cecil	101,108	11,184,512,000	1,623,702,727	12,808,214,727	126,679	17
Charles	146,551	19,882,783,000	2,879,572,566	22,762,355,566	155,320	11
Dorchester	32,618	3,527,710,000	388,801,478	3,916,511,478	120,072	18
Frederick	233,385	31,969,352,000	5,217,651,550	37,187,003,550	159,338	10
Garrett	30,097	4,689,794,000	377,434,604	5,067,228,604	168,363	9
Harford	244,826	28,453,136,000	5,098,621,320	33,551,757,320	137,043	14
Howard	287,085	50,049,686,000	9,093,139,434	59,142,825,434	206,012	5
Kent	20,197	3,219,073,000	323,876,311	3,542,949,311	175,420	8
Montgomery	971,777	187,664,567,000	32,558,435,028	220,223,002,028	226,619	3
Prince George's	863,420	98,867,718,000	13,235,206,794	112,102,924,794	129,836	16
Queen Anne's	47,798	9,050,949,000	1,035,978,326	10,086,927,326	211,032	4
St. Mary's	105,151	12,875,262,000	2,143,366,689	15,018,628,689	142,829	13
Somerset	26,470	1,757,563,000	199,317,492	1,956,880,492	73,928	22
Talbot	37,782	10,142,501,000	929,645,933	11,072,146,933	293,053	2
Washington	147,430	14,877,217,000	2,164,974,098	17,042,191,098	115,595	19
Wicomico	98,733	7,774,844,000	1,280,849,196	9,055,693,196	91,719	21
Worcester	51,454	19,292,626,000	866,540,992	20,159,166,992	391,790	1
Total	5,773,552	\$772,370,442,000	\$124,307,888,762	\$896,678,330,762	\$155,308	

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 \$50,829 in Allegany County to \$374,949 in Worcester County – the statewide average is \$133,777
- Using statewide average property tax rates, Allegany County would be able to generate \$496 per capita; whereas, Worcester County would be able to generate \$3,658 per capita – the statewide average is \$1,305 per capita

Per Capita Assessable Base in Maryland Counties Fiscal 2010

County	Population	Assessable Base	Per Capita Basis	
			Amount	Ranking
Allegany	75,087	\$3,816,560,000	\$50,829	24
Anne Arundel	537,656	86,849,623,000	161,534	6
Baltimore City	620,961	38,190,377,000	61,502	23
Baltimore	805,029	88,989,970,000	110,543	17
Calvert	88,737	13,951,302,000	157,221	8
Caroline	33,066	3,199,323,000	96,756	20
Carroll	167,134	22,093,994,000	132,193	12
Cecil	101,108	11,184,512,000	110,619	16
Charles	146,551	19,882,783,000	135,671	11
Dorchester	32,618	3,527,710,000	108,152	18
Frederick	233,385	31,969,352,000	136,981	10
Garrett	30,097	4,689,794,000	155,823	9
Harford	244,826	28,453,136,000	116,218	14
Howard	287,085	50,049,686,000	174,338	5
Kent	20,197	3,219,073,000	159,384	7
Montgomery	971,777	187,664,567,000	193,115	3
Prince George's	863,420	98,867,718,000	114,507	15
Queen Anne's	47,798	9,050,949,000	189,358	4
St. Mary's	105,151	12,875,262,000	122,445	13
Somerset	26,470	1,757,563,000	66,398	22
Talbot	37,782	10,142,501,000	268,448	2
Washington	147,430	14,877,217,000	100,910	19
Wicomico	98,733	7,774,844,000	78,746	21
Worcester	51,454	19,292,626,000	374,949	1
Total	5,773,552	\$772,370,442,000	\$133,777	

**Property Tax Capacity Index
Fiscal 2010**

County	Population	Assessable Base	Property Tax Revenues	Hypothetical Yield	Per Capita Hypothetical Yield	Tax Capacity Index	Rank
Allegany	75,087	\$3,816,560,000	\$54,319,040	\$37,234,312	\$496	38	24
Anne Arundel	537,656	86,849,623,000	597,112,449	847,303,847	1,576	121	6
Baltimore City	620,961	38,190,377,000	757,127,790	372,584,845	600	46	23
Baltimore	805,029	88,989,970,000	821,831,081	868,185,046	1,078	83	17
Calvert	88,737	13,951,302,000	138,303,268	136,108,730	1,534	118	8
Caroline	33,066	3,199,323,000	29,084,042	31,212,556	944	72	20
Carroll	167,134	22,093,994,000	217,006,255	215,548,732	1,290	99	12
Cecil	101,108	11,184,512,000	113,439,286	109,115,961	1,079	83	16
Charles	146,551	19,882,783,000	194,911,541	193,976,185	1,324	101	11
Dorchester	32,618	3,527,710,000	37,611,585	34,416,295	1,055	81	18
Frederick	233,385	31,969,352,000	339,902,685	311,892,602	1,336	102	10
Garrett	30,097	4,689,794,000	47,122,069	45,753,572	1,520	116	9
Harford	244,826	28,453,136,000	312,394,901	277,588,443	1,134	87	14
Howard	287,085	50,049,686,000	493,333,476	488,284,117	1,701	130	5
Kent	20,197	3,219,073,000	30,756,482	31,405,236	1,555	119	7
Montgomery	971,777	187,664,567,000	1,525,651,937	1,830,853,192	1,884	144	3
Prince George's	863,420	98,867,718,000	1,184,546,621	964,552,233	1,117	86	15
Queen Anne's	47,798	9,050,949,000	62,127,339	88,300,946	1,847	142	4
St. Mary's	105,151	12,875,262,000	94,959,380	125,610,897	1,195	92	13
Somerset	26,470	1,757,563,000	19,117,948	17,146,763	648	50	22
Talbot	37,782	10,142,501,000	43,657,271	98,950,114	2,619	201	2
Washington	147,430	14,877,217,000	156,139,473	145,141,945	984	75	19
Wicomico	98,733	7,774,844,000	86,881,378	75,851,282	768	59	21
Worcester	51,454	19,292,626,000	177,899,173	188,218,620	3,658	280	1
Total	5,773,552	\$772,370,442,000	\$7,535,236,470	\$7,535,236,470	\$1,305	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 \$7,530 in Somerset County to \$33,504 in Montgomery County – the statewide average is \$21,531
- Using statewide average income tax rates, Somerset County would be able to generate \$231 per capita; whereas, Montgomery County would be able to generate \$1,027 per capita – the statewide average is \$660 per capita

**Per Capita Net Taxable Income in Maryland Counties
Fiscal 2010**

County	Population	Net Taxable Income	Per Capita Basis Amount	Ranking
Allegany	75,087	\$850,697,040	\$11,329	23
Anne Arundel	537,656	13,243,780,079	24,632	3
Baltimore City	620,961	7,309,760,703	11,772	22
Baltimore	805,029	17,419,419,760	21,638	9
Calvert	88,737	2,032,691,975	22,907	5
Caroline	33,066	401,830,567	12,152	20
Carroll	167,134	3,632,594,106	21,735	7
Cecil	101,108	1,623,702,727	16,059	14
Charles	146,551	2,879,572,566	19,649	12
Dorchester	32,618	388,801,478	11,920	21
Frederick	233,385	5,217,651,550	22,356	6
Garrett	30,097	377,434,604	12,541	19
Harford	244,826	5,098,621,320	20,825	10
Howard	287,085	9,093,139,434	31,674	2
Kent	20,197	323,876,311	16,036	15
Montgomery	971,777	32,558,435,028	33,504	1
Prince George's	863,420	13,235,206,794	15,329	16
Queen Anne's	47,798	1,035,978,326	21,674	8
St. Mary's	105,151	2,143,366,689	20,384	11
Somerset	26,470	199,317,492	7,530	24
Talbot	37,782	929,645,933	24,606	4
Washington	147,430	2,164,974,098	14,685	17
Wicomico	98,733	1,280,849,196	12,973	18
Worcester	51,454	866,540,992	16,841	13
Total	5,773,552	\$124,307,888,762	\$21,531	

**Income Tax Capacity Index
Fiscal 2010**

County	Population	Net Taxable Income	Income Tax Revenues	Hypothetical Yield	Per Capita Hypothetical Yield	Tax Capacity Index	Rank
Allegany	75,087	\$850,697,040	\$26,798,607	\$26,081,792	\$347	53	23
Anne Arundel	537,656	13,243,780,079	360,128,629	406,045,286	755	114	3
Baltimore City	620,961	7,309,760,703	222,375,717	224,112,290	361	55	22
Baltimore	805,029	17,419,419,760	495,655,906	534,067,558	663	101	9
Calvert	88,737	2,032,691,975	56,335,294	62,320,953	702	106	5
Caroline	33,066	401,830,567	10,543,570	12,319,852	373	56	20
Carroll	167,134	3,632,594,106	112,927,796	111,372,864	666	101	7
Cecil	101,108	1,623,702,727	49,109,912	49,781,621	492	75	14
Charles	146,551	2,879,572,566	87,969,430	88,285,736	602	91	12
Dorchester	32,618	388,801,478	9,275,634	11,920,389	365	55	21
Frederick	233,385	5,217,651,550	154,559,290	159,969,647	685	104	6
Garrett	30,097	377,434,604	10,305,622	11,571,888	384	58	19
Harford	244,826	5,098,621,320	157,735,025	156,320,261	638	97	10
Howard	287,085	9,093,139,434	294,042,539	278,789,468	971	147	2
Kent	20,197	323,876,311	9,904,633	9,929,827	492	74	15
Montgomery	971,777	32,558,435,028	1,072,825,451	998,219,466	1,027	156	1
Prince George's	863,420	13,235,206,794	446,312,651	405,782,435	470	71	16
Queen Anne's	47,798	1,035,978,326	30,087,919	31,762,391	665	101	8
St. Mary's	105,151	2,143,366,689	65,453,824	65,714,164	625	95	11
Somerset	26,470	199,317,492	6,423,494	6,110,939	231	35	24
Talbot	37,782	929,645,933	20,821,774	28,502,312	754	114	4
Washington	147,430	2,164,974,098	60,209,337	66,376,633	450	68	17
Wicomico	98,733	1,280,849,196	39,347,710	39,269,965	398	60	18
Worcester	51,454	866,540,992	12,045,529	26,567,557	516	78	13
Total	5,773,552	\$124,307,888,762	\$3,811,195,293	\$3,811,195,293	\$660	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, Allegany County would be able to generate \$843 per capita; whereas, Worcester County would be able to generate \$4,174 per capita – the statewide average is \$1,965 per capita

**Combined Tax Capacity Index
Fiscal 2010**

County	Population	Property Hypothetical Yield	Income Hypothetical Yield	Combined Hypothetical Yield	County Yield Per Capita	Tax Capacity Index	Rank
Allegany	75,087	\$37,234,312	\$26,081,792	\$63,316,105	\$843	43	24
Anne Arundel	537,656	847,303,847	406,045,286	1,253,349,133	2,331	119	6
Baltimore City	620,961	372,584,845	224,112,290	596,697,135	961	49	22
Baltimore	805,029	868,185,046	534,067,558	1,402,252,604	1,742	89	15
Calvert	88,737	136,108,730	62,320,953	198,429,683	2,236	114	7
Caroline	33,066	31,212,556	12,319,852	43,532,407	1,317	67	20
Carroll	167,134	215,548,732	111,372,864	326,921,596	1,956	100	10
Cecil	101,108	109,115,961	49,781,621	158,897,581	1,572	80	17
Charles	146,551	193,976,185	88,285,736	282,261,920	1,926	98	11
Dorchester	32,618	34,416,295	11,920,389	46,336,684	1,421	72	19
Frederick	233,385	311,892,602	159,969,647	471,862,249	2,022	103	9
Garrett	30,097	45,753,572	11,571,888	57,325,460	1,905	97	12
Harford	244,826	277,588,443	156,320,261	433,908,703	1,772	90	14
Howard	287,085	488,284,117	278,789,468	767,073,585	2,672	136	4
Kent	20,197	31,405,236	9,929,827	41,335,064	2,047	104	8
Montgomery	971,777	1,830,853,192	998,219,466	2,829,072,658	2,911	148	3
Prince George's	863,420	964,552,233	405,782,435	1,370,334,668	1,587	81	16
Queen Anne's	47,798	88,300,946	31,762,391	120,063,337	2,512	128	5
St. Mary's	105,151	125,610,897	65,714,164	191,325,061	1,820	93	13
Somerset	26,470	17,146,763	6,110,939	23,257,702	879	45	23
Talbot	37,782	98,950,114	28,502,312	127,452,426	3,373	172	2
Washington	147,430	145,141,945	66,376,633	211,518,578	1,435	73	18
Wicomico	98,733	75,851,282	39,269,965	115,121,247	1,166	59	21
Worcester	51,454	188,218,620	26,567,557	214,786,178	4,174	212	1
Total	5,773,552	\$7,535,236,470	\$3,811,195,293	\$11,346,431,763	\$1,965	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 reduces the variations in the tax capacity among Maryland jurisdictions

**Combined Tax Capacity Index – Adjusted for State Aid
Fiscal 2010**

County	Population	Combined Hypothetical Yield	State Aid Amount	Adjusted Hypothetical Yield	Adjusted Yield Per Capita	Adjusted Capacity Index	Rank
Allegany	75,087	\$63,316,105	\$112,155,767	\$175,471,872	\$2,337	76	23
Anne Arundel	537,656	1,253,349,133	386,643,925	1,639,993,058	3,050	99	11
Baltimore City	620,961	596,697,135	1,332,637,263	1,929,334,398	3,107	101	10
Baltimore	805,029	1,402,252,604	664,559,752	2,066,812,356	2,567	84	22
Calvert	88,737	198,429,683	107,340,035	305,769,718	3,446	112	5
Caroline	33,066	43,532,407	52,895,170	96,427,577	2,916	95	13
Carroll	167,134	326,921,596	180,076,874	506,998,470	3,033	99	12
Cecil	101,108	158,897,581	120,106,626	279,004,207	2,759	90	17
Charles	146,551	282,261,920	183,823,201	466,085,121	3,180	104	7
Dorchester	32,618	46,336,684	41,010,587	87,347,271	2,678	87	19
Frederick	233,385	471,862,249	254,514,596	726,376,845	3,112	101	9
Garrett	30,097	57,325,460	36,800,821	94,126,281	3,127	102	8
Harford	244,826	433,908,703	261,863,706	695,772,409	2,842	93	16
Howard	287,085	767,073,585	273,931,607	1,041,005,192	3,626	118	4
Kent	20,197	41,335,064	14,272,672	55,607,736	2,753	90	18
Montgomery	971,777	2,829,072,658	698,268,683	3,527,341,341	3,630	118	3
Prince George's	863,420	1,370,334,668	1,105,478,340	2,475,813,008	2,867	93	15
Queen Anne's	47,798	120,063,337	40,941,718	161,005,055	3,368	110	6
St. Mary's	105,151	191,325,061	112,203,671	303,528,732	2,887	94	14
Somerset	26,470	23,257,702	34,171,956	57,429,658	2,170	71	24
Talbot	37,782	127,452,426	17,490,715	144,943,141	3,836	125	2
Washington	147,430	211,518,578	171,890,156	383,408,734	2,601	85	20
Wicomico	98,733	115,121,247	138,985,818	254,107,065	2,574	84	21
Worcester	51,454	214,786,178	30,699,461	245,485,639	4,771	155	1
Total	5,773,552	\$11,346,431,763	\$6,372,763,120	\$17,719,194,883	\$3,069	100	

**Comparison of Tax Capacity Index and State Aid Adjusted Index
Fiscal 2010**

County	Population	County Yield Per Capita	Tax Capacity Index	Rank	Adjusted Yield Per Capita	Adjusted Capacity Index	Rank
Allegany	75,087	\$843	43	24	\$2,337	76	23
Anne Arundel	537,656	2,331	119	6	3,050	99	11
Baltimore City	620,961	961	49	22	3,107	101	10
Baltimore	805,029	1,742	89	15	2,567	84	22
Calvert	88,737	2,236	114	7	3,446	112	5
Caroline	33,066	1,317	67	20	2,916	95	13
Carroll	167,134	1,956	100	10	3,033	99	12
Cecil	101,108	1,572	80	17	2,759	90	17
Charles	146,551	1,926	98	11	3,180	104	7
Dorchester	32,618	1,421	72	19	2,678	87	19
Frederick	233,385	2,022	103	9	3,112	101	9
Garrett	30,097	1,905	97	12	3,127	102	8
Harford	244,826	1,772	90	14	2,842	93	16
Howard	287,085	2,672	136	4	3,626	118	4
Kent	20,197	2,047	104	8	2,753	90	18
Montgomery	971,777	2,911	148	3	3,630	118	3
Prince George's	863,420	1,587	81	16	2,867	93	15
Queen Anne's	47,798	2,512	128	5	3,368	110	6
St. Mary's	105,151	1,820	93	13	2,887	94	14
Somerset	26,470	879	45	23	2,170	71	24
Talbot	37,782	3,373	172	2	3,836	125	2
Washington	147,430	1,435	73	18	2,601	85	20
Wicomico	98,733	1,166	59	21	2,574	84	21
Worcester	51,454	4,174	212	1	4,771	155	1
Total	5,773,552	\$1,965	100		\$3,069	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 (Baltimore City, Dorchester, and Washington counties) have above-average property tax effort; however, their income tax effort is below average
- Allegany County (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 2010**

County	Population	Assessable Base	Property Tax Revenues	Hypothetical Yield	Tax Effort Index	Rank
Allegany	75,087	\$3,816,560,000	\$54,319,040	\$37,234,312	146	2
Anne Arundel	537,656	86,849,623,000	597,112,449	847,303,847	70	22
Baltimore City	620,961	38,190,377,000	757,127,790	372,584,845	203	1
Baltimore	805,029	88,989,970,000	821,831,081	868,185,046	95	17
Calvert	88,737	13,951,302,000	138,303,268	136,108,730	102	12
Caroline	33,066	3,199,323,000	29,084,042	31,212,556	93	19
Carroll	167,134	22,093,994,000	217,006,255	215,548,732	101	14
Cecil	101,108	11,184,512,000	113,439,286	109,115,961	104	10
Charles	146,551	19,882,783,000	194,911,541	193,976,185	100	15
Dorchester	32,618	3,527,710,000	37,611,585	34,416,295	109	7
Frederick	233,385	31,969,352,000	339,902,685	311,892,602	109	8
Garrett	30,097	4,689,794,000	47,122,069	45,753,572	103	11
Harford	244,826	28,453,136,000	312,394,901	277,588,443	113	5
Howard	287,085	50,049,686,000	493,333,476	488,284,117	101	13
Kent	20,197	3,219,073,000	30,756,482	31,405,236	98	16
Montgomery	971,777	187,664,567,000	1,525,651,937	1,830,853,192	83	20
Prince George's	863,420	98,867,718,000	1,184,546,621	964,552,233	123	3
Queen Anne's	47,798	9,050,949,000	62,127,339	88,300,946	70	23
St. Mary's	105,151	12,875,262,000	94,959,380	125,610,897	76	21
Somerset	26,470	1,757,563,000	19,117,948	17,146,763	111	6
Talbot	37,782	10,142,501,000	43,657,271	98,950,114	44	24
Washington	147,430	14,877,217,000	156,139,473	145,141,945	108	9
Wicomico	98,733	7,774,844,000	86,881,378	75,851,282	115	4
Worcester	51,454	19,292,626,000	177,899,173	188,218,620	95	18
Total	5,773,552	\$772,370,442,000	\$7,535,236,470	\$7,535,236,470	100	

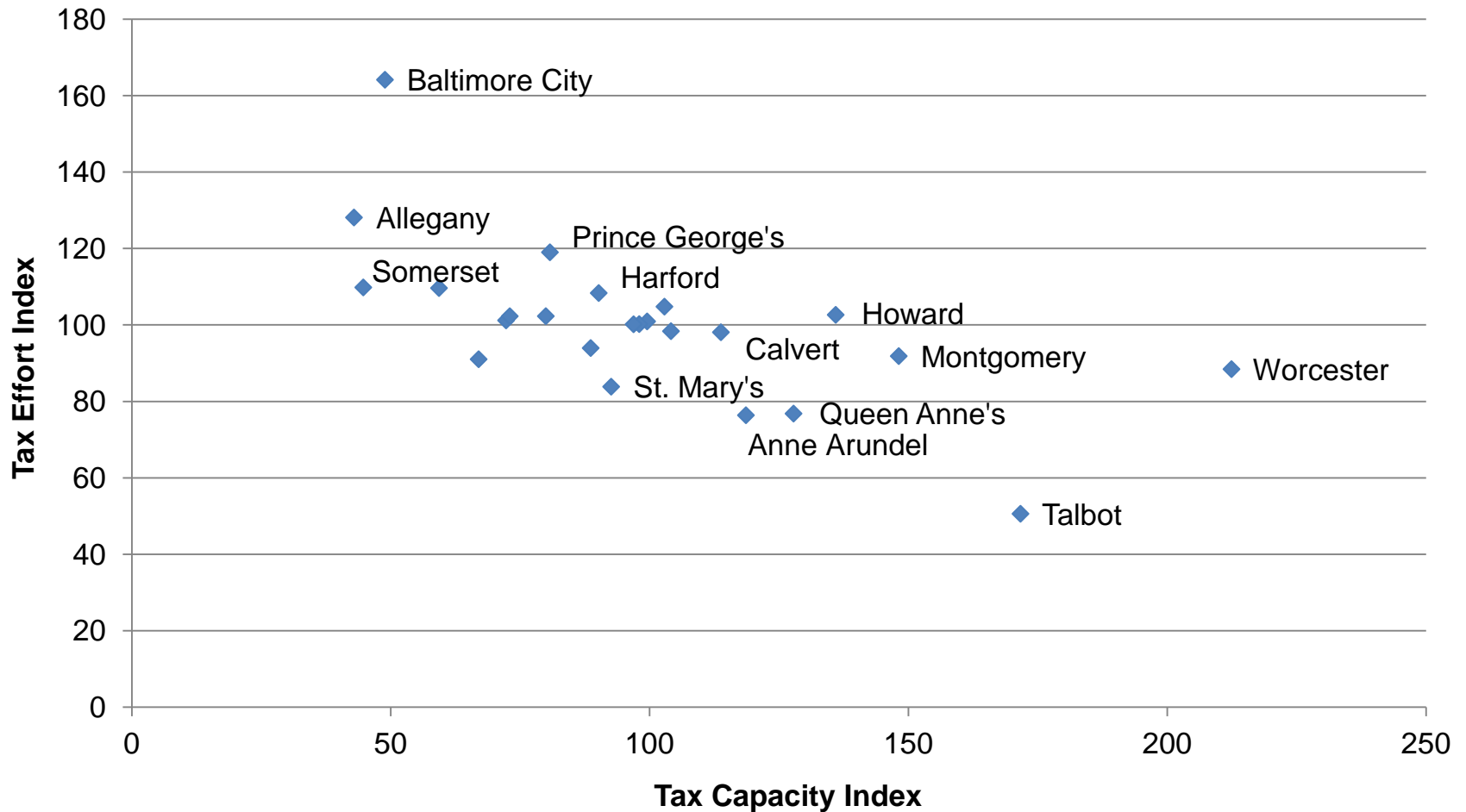
**Income Tax Effort Index
Fiscal 2010**

County	Population	Net Taxable Income	Income Tax Revenues	Hypothetical Yield	Tax Effort Index	Rank
Allegany	75,087	\$850,697,040	\$26,798,607	\$26,081,792	103	5
Anne Arundel	537,656	13,243,780,079	360,128,629	406,045,286	89	20
Baltimore City	620,961	7,309,760,703	222,375,717	224,112,290	99	12
Baltimore	805,029	17,419,419,760	495,655,906	534,067,558	93	16
Calvert	88,737	2,032,691,975	56,335,294	62,320,953	90	18
Caroline	33,066	401,830,567	10,543,570	12,319,852	86	21
Carroll	167,134	3,632,594,106	112,927,796	111,372,864	101	6
Cecil	101,108	1,623,702,727	49,109,912	49,781,621	99	13
Charles	146,551	2,879,572,566	87,969,430	88,285,736	100	10
Dorchester	32,618	388,801,478	9,275,634	11,920,389	78	22
Frederick	233,385	5,217,651,550	154,559,290	159,969,647	97	14
Garrett	30,097	377,434,604	10,305,622	11,571,888	89	19
Harford	244,826	5,098,621,320	157,735,025	156,320,261	101	7
Howard	287,085	9,093,139,434	294,042,539	278,789,468	105	3
Kent	20,197	323,876,311	9,904,633	9,929,827	100	9
Montgomery	971,777	32,558,435,028	1,072,825,451	998,219,466	107	2
Prince George's	863,420	13,235,206,794	446,312,651	405,782,435	110	1
Queen Anne's	47,798	1,035,978,326	30,087,919	31,762,391	95	15
St. Mary's	105,151	2,143,366,689	65,453,824	65,714,164	100	11
Somerset	26,470	199,317,492	6,423,494	6,110,939	105	4
Talbot	37,782	929,645,933	20,821,774	28,502,312	73	23
Washington	147,430	2,164,974,098	60,209,337	66,376,633	91	17
Wicomico	98,733	1,280,849,196	39,347,710	39,269,965	100	8
Worcester	51,454	866,540,992	12,045,529	26,567,557	45	24
Total	5,773,552	\$124,307,888,762	\$3,811,195,293	\$3,811,195,293	100	

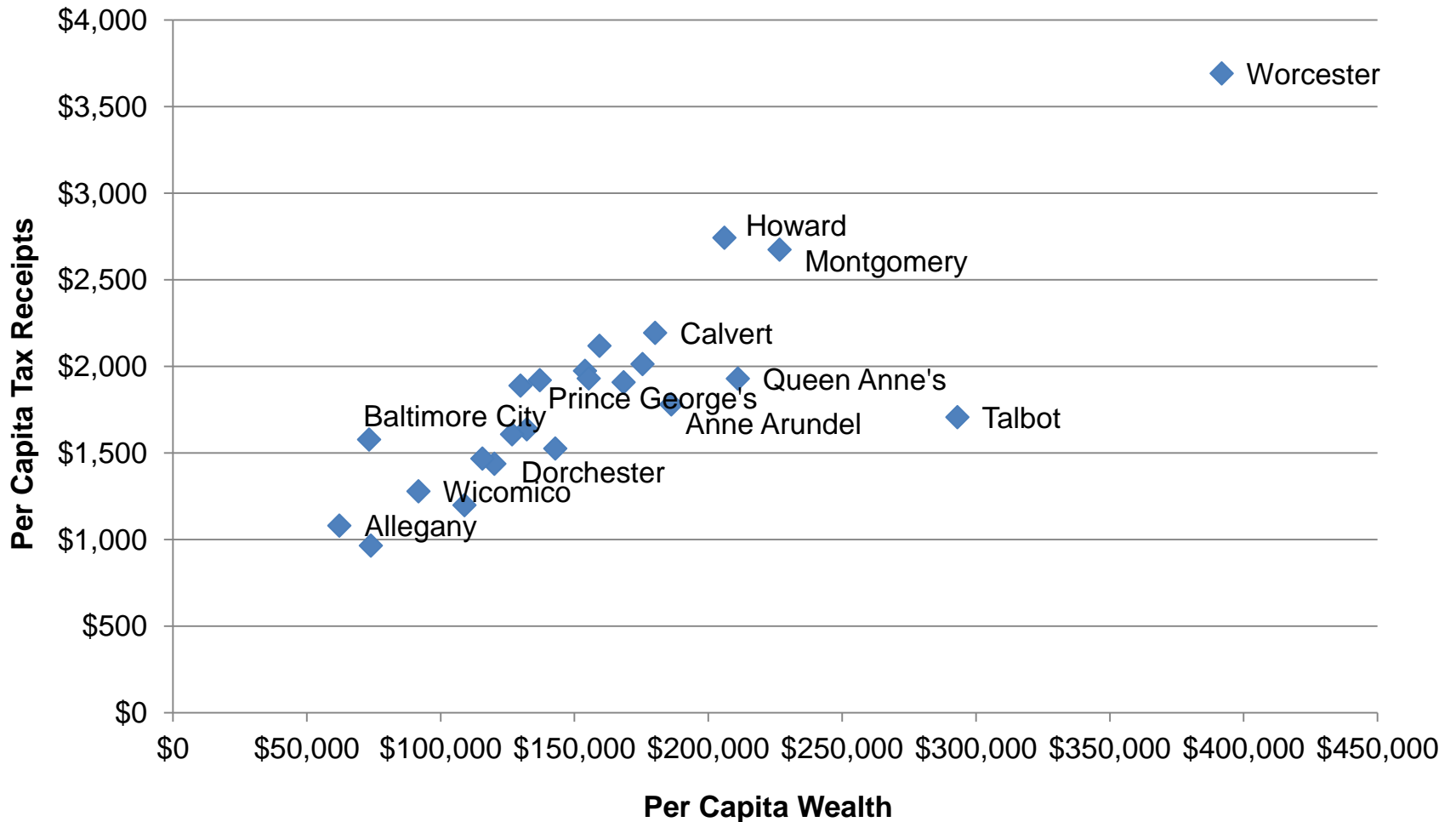
**Combined Tax Effort Index
Fiscal 2010**

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	75,087	\$37,234,312	\$26,081,792	\$63,316,105	\$54,319,040	\$26,798,607	\$81,117,647	128	2
Anne Arundel	537,656	847,303,847	406,045,286	1,253,349,133	597,112,449	360,128,629	957,241,078	76	23
Baltimore City	620,961	372,584,845	224,112,290	596,697,135	757,127,790	222,375,717	979,503,507	164	1
Baltimore	805,029	868,185,046	534,067,558	1,402,252,604	821,831,081	495,655,906	1,317,486,987	94	17
Calvert	88,737	136,108,730	62,320,953	198,429,683	138,303,268	56,335,294	194,638,562	98	16
Caroline	33,066	31,212,556	12,319,852	43,532,407	29,084,042	10,543,570	39,627,612	91	19
Carroll	167,134	215,548,732	111,372,864	326,921,596	217,006,255	112,927,796	329,934,051	101	12
Cecil	101,108	109,115,961	49,781,621	158,897,581	113,439,286	49,109,912	162,549,198	102	9
Charles	146,551	193,976,185	88,285,736	282,261,920	194,911,541	87,969,430	282,880,971	100	13
Dorchester	32,618	34,416,295	11,920,389	46,336,684	37,611,585	9,275,634	46,887,219	101	11
Frederick	233,385	311,892,602	159,969,647	471,862,249	339,902,685	154,559,290	494,461,975	105	7
Garrett	30,097	45,753,572	11,571,888	57,325,460	47,122,069	10,305,622	57,427,691	100	14
Harford	244,826	277,588,443	156,320,261	433,908,703	312,394,901	157,735,025	470,129,926	108	6
Howard	287,085	488,284,117	278,789,468	767,073,585	493,333,476	294,042,539	787,376,015	103	8
Kent	20,197	31,405,236	9,929,827	41,335,064	30,756,482	9,904,633	40,661,115	98	15
Montgomery	971,777	1,830,853,192	998,219,466	2,829,072,658	1,525,651,937	1,072,825,451	2,598,477,388	92	18
Prince George's	863,420	964,552,233	405,782,435	1,370,334,668	1,184,546,621	446,312,651	1,630,859,272	119	3
Queen Anne's	47,798	88,300,946	31,762,391	120,063,337	62,127,339	30,087,919	92,215,258	77	22
St. Mary's	105,151	125,610,897	65,714,164	191,325,061	94,959,380	65,453,824	160,413,204	84	21
Somerset	26,470	17,146,763	6,110,939	23,257,702	19,117,948	6,423,494	25,541,442	110	4
Talbot	37,782	98,950,114	28,502,312	127,452,426	43,657,271	20,821,774	64,479,045	51	24
Washington	147,430	145,141,945	66,376,633	211,518,578	156,139,473	60,209,337	216,348,810	102	10
Wicomico	98,733	75,851,282	39,269,965	115,121,247	86,881,378	39,347,710	126,229,088	110	5
Worcester	51,454	188,218,620	26,567,557	214,786,178	177,899,173	12,045,529	189,944,702	88	20
Total	5,773,552	\$7,535,236,470	\$3,811,195,293	\$11,346,431,763	\$7,535,236,470	\$3,811,195,293	\$11,346,431,763	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