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# **Tax Capacity and Effort of Local Governments in Maryland Fiscal 2018**

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# Objectives

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- 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

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- **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

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- Ability of local governments to generate revenues from their own sources varies significantly
- Per capita local wealth ranges from a low of \$64,684 in Somerset County to a high of \$327,321 in Worcester County – the statewide average is \$153,411
- 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 2018**

<b>County</b>	<b>Population</b>	<b>Assessable Base</b>	<b>Income Base</b>	<b>Total Wealth Amount</b>	<b>Per Capita Wealth Amount</b>	<b>Ranking</b>
Allegany	71,386	\$3,898,049,000	\$994,883,367	\$4,892,932,367	\$68,542	23
Anne Arundel	571,592	86,772,292,000	19,981,566,751	106,753,858,751	186,766	6
Baltimore City	609,841	41,209,840,000	10,602,892,897	51,812,732,897	84,961	21
Baltimore	828,603	84,683,073,000	24,635,807,504	109,318,880,504	131,932	15
Calvert	91,365	12,773,365,000	2,837,463,343	15,610,828,343	170,862	9
Caroline	33,108	2,608,678,000	556,502,824	3,165,180,824	95,602	20
Carroll	167,620	19,514,216,000	5,338,326,215	24,852,542,215	148,267	11
Cecil	102,573	9,992,274,000	2,222,533,651	12,214,807,651	119,084	17
Charles	159,451	17,532,024,000	4,093,599,390	21,625,623,390	135,626	14
Dorchester	32,145	2,879,772,000	526,564,549	3,406,336,549	105,968	18
Frederick	250,959	29,420,275,000	7,862,010,896	37,282,285,896	148,559	10
Garrett	29,261	4,585,290,000	525,071,899	5,110,361,899	174,648	8
Harford	251,890	28,414,432,000	7,383,899,804	35,798,331,804	142,119	12
Howard	319,374	51,403,275,000	13,937,711,409	65,340,986,409	204,591	4
Kent	19,437	2,950,517,000	481,594,260	3,432,111,260	176,576	7
Montgomery	1,048,244	189,529,990,000	47,927,957,465	237,457,947,465	226,529	3
Prince George's	908,801	90,628,096,000	18,253,312,350	108,881,408,350	119,808	16
Queen Anne's	49,667	8,010,735,000	1,638,487,805	9,649,222,805	194,278	5
St. Mary's	112,413	12,517,484,000	3,058,712,395	15,576,196,395	138,562	13
Somerset	25,913	1,431,319,000	244,848,615	1,676,167,615	64,684	24
Talbot	37,020	8,411,019,000	1,360,869,927	9,771,888,927	263,962	2
Washington	150,288	12,817,817,000	2,943,311,540	15,761,128,540	104,873	19
Wicomico	102,363	6,284,266,000	1,726,383,765	8,010,649,765	78,257	22
Worcester	51,577	15,545,646,000	1,336,590,250	16,882,236,250	327,321	1
<b>Total</b>	<b>6,024,891</b>	<b>\$743,813,744,000</b>	<b>\$180,470,902,866</b>	<b>\$924,284,646,866</b>	<b>\$153,411</b>	

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

# Property Tax Capacity Among Local Jurisdictions

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- Property tax is the largest source of local revenues for most counties
- Per capita assessable base ranges from \$54,605 in Allegany County to \$301,407 in Worcester County – the statewide average is \$123,457
- Using statewide average property tax rates, Allegany County would be able to generate \$634 per capita; whereas, Worcester County would be able to generate \$3,502 per capita – the statewide per capita average is \$1,434

**Per Capita Assessable Base in Maryland Counties  
Fiscal 2018**

<b>County</b>	<b>Population</b>	<b>Assessable Base</b>	<b>Per Capita Basis Amount</b>	<b>Ranking</b>
Allegany	71,386	\$3,898,049,000	\$54,605	24
Anne Arundel	571,592	86,772,292,000	151,808	7
Baltimore City	609,841	41,209,840,000	67,575	21
Baltimore	828,603	84,683,073,000	102,200	15
Calvert	91,365	12,773,365,000	139,806	9
Caroline	33,108	2,608,678,000	78,793	20
Carroll	167,620	19,514,216,000	116,419	11
Cecil	102,573	9,992,274,000	97,416	17
Charles	159,451	17,532,024,000	109,952	14
Dorchester	32,145	2,879,772,000	89,587	18
Frederick	250,959	29,420,275,000	117,231	10
Garrett	29,261	4,585,290,000	156,703	6
Harford	251,890	28,414,432,000	112,805	12
Howard	319,374	51,403,275,000	160,950	5
Kent	19,437	2,950,517,000	151,799	8
Montgomery	1,048,244	189,529,990,000	180,807	3
Prince George's	908,801	90,628,096,000	99,723	16
Queen Anne's	49,667	8,010,735,000	161,289	4
St. Mary's	112,413	12,517,484,000	111,353	13
Somerset	25,913	1,431,319,000	55,236	23
Talbot	37,020	8,411,019,000	227,202	2
Washington	150,288	12,817,817,000	85,288	19
Wicomico	102,363	6,284,266,000	61,392	22
Worcester	51,577	15,545,646,000	301,407	1
<b>Total</b>	<b>6,024,891</b>	<b>\$743,813,744,000</b>	<b>\$123,457</b>	



**Property Tax Capacity Index  
Fiscal 2018**

<b>County</b>	<b>Population</b>	<b>Assessable Base</b>	<b>Property Tax Revenues</b>	<b>Hypothetical Yield</b>	<b>Per Capita Hypothetical Yield</b>	<b>Tax Capacity Index</b>	<b>Rank</b>
Allegany	71,386	\$3,898,049,000	\$58,517,098	\$45,288,931	\$634	44	24
Anne Arundel	571,592	86,772,292,000	767,544,173	1,008,151,601	1,764	123	7
Baltimore City	609,841	41,209,840,000	849,787,019	478,790,697	785	55	21
Baltimore	828,603	84,683,073,000	951,558,877	983,878,306	1,187	83	15
Calvert	91,365	12,773,365,000	120,524,703	148,405,535	1,624	113	9
Caroline	33,108	2,608,678,000	31,778,627	30,308,556	915	64	20
Carroll	167,620	19,514,216,000	224,708,179	226,723,158	1,353	94	11
Cecil	102,573	9,992,274,000	125,348,842	116,093,822	1,132	79	17
Charles	159,451	17,532,024,000	224,354,732	203,693,341	1,277	89	14
Dorchester	32,145	2,879,772,000	39,136,451	33,458,224	1,041	73	18
Frederick	250,959	29,420,275,000	372,297,538	341,815,304	1,362	95	10
Garrett	29,261	4,585,290,000	56,223,158	53,273,543	1,821	127	6
Harford	251,890	28,414,432,000	336,646,780	330,129,059	1,311	91	12
Howard	319,374	51,403,275,000	628,482,245	597,221,680	1,870	130	5
Kent	19,437	2,950,517,000	33,557,498	34,280,164	1,764	123	8
Montgomery	1,048,244	189,529,990,000	1,857,761,858	2,202,027,381	2,101	146	3
Prince George's	908,801	90,628,096,000	1,278,578,878	1,052,949,715	1,159	81	16
Queen Anne's	49,667	8,010,735,000	71,086,175	93,071,592	1,874	131	4
St. Mary's	112,413	12,517,484,000	109,696,796	145,432,617	1,294	90	13
Somerset	25,913	1,431,319,000	19,259,443	16,629,577	642	45	23
Talbot	37,020	8,411,019,000	53,341,421	97,722,235	2,640	184	2
Washington	150,288	12,817,817,000	155,541,893	148,921,994	991	69	19
Wicomico	102,363	6,284,266,000	92,917,326	73,012,856	713	50	22
Worcester	51,577	15,545,646,000	183,245,068	180,614,889	3,502	244	1
<b>Total</b>	<b>6,024,891</b>	<b>\$743,813,744,000</b>	<b>\$8,641,894,778</b>	<b>\$8,641,894,778</b>	<b>\$1,434</b>	<b>100</b>	

## Income Tax Capacity Among Maryland Jurisdictions

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- Income tax is the second major source of local revenues for most counties
- Per capita net taxable income ranges from \$9,449 in Somerset County to \$45,722 in Montgomery County – the statewide average is \$29,954
- Using statewide average income tax rates, Somerset County would be able to generate \$283 per capita; whereas, Montgomery County would be able to generate \$1,368 per capita – the statewide average is \$896 per capita

**Per Capita Net Taxable Income in Maryland Counties  
Fiscal 2018**

<b>County</b>	<b>Population</b>	<b>Net Taxable Income</b>	<b>Per Capita Basis Amount</b>	<b>Ranking</b>
Allegany	71,386	\$994,883,367	\$13,937	23
Anne Arundel	571,592	19,981,566,751	34,958	4
Baltimore City	609,841	10,602,892,897	17,386	19
Baltimore	828,603	24,635,807,504	29,732	9
Calvert	91,365	2,837,463,343	31,056	8
Caroline	33,108	556,502,824	16,809	21
Carroll	167,620	5,338,326,215	31,848	6
Cecil	102,573	2,222,533,651	21,668	15
Charles	159,451	4,093,599,390	25,673	13
Dorchester	32,145	526,564,549	16,381	22
Frederick	250,959	7,862,010,896	31,328	7
Garrett	29,261	525,071,899	17,944	18
Harford	251,890	7,383,899,804	29,314	10
Howard	319,374	13,937,711,409	43,641	2
Kent	19,437	481,594,260	24,777	14
Montgomery	1,048,244	47,927,957,465	45,722	1
Prince George's	908,801	18,253,312,350	20,085	16
Queen Anne's	49,667	1,638,487,805	32,989	5
St. Mary's	112,413	3,058,712,395	27,210	11
Somerset	25,913	244,848,615	9,449	24
Talbot	37,020	1,360,869,927	36,760	3
Washington	150,288	2,943,311,540	19,584	17
Wicomico	102,363	1,726,383,765	16,865	20
Worcester	51,577	1,336,590,250	25,914	12
<b>Total</b>	<b>6,024,891</b>	<b>\$180,470,902,866</b>	<b>\$29,954</b>	

**Income Tax Capacity Index  
Fiscal 2018**

<b>County</b>	<b>Population</b>	<b>Net Taxable Income</b>	<b>Income Tax Revenues</b>	<b>Hypothetical Yield</b>	<b>Per Capita Hypothetical Yield</b>	<b>Tax Capacity Index</b>	<b>Rank</b>
Allegany	71,386	\$994,883,367	\$29,158,011	\$29,770,579	\$417	47	23
Anne Arundel	571,592	19,981,566,751	516,247,673	597,922,162	1,046	117	4
Baltimore City	609,841	10,602,892,897	346,796,930	317,277,655	520	58	19
Baltimore	828,603	24,635,807,504	680,281,749	737,194,209	890	99	9
Calvert	91,365	2,837,463,343	85,073,827	84,907,367	929	104	8
Caroline	33,108	556,502,824	14,606,294	16,652,617	503	56	21
Carroll	167,620	5,338,326,215	160,548,549	159,742,406	953	106	6
Cecil	102,573	2,222,533,651	61,090,662	66,506,403	648	72	15
Charles	159,451	4,093,599,390	126,513,519	122,495,589	768	86	13
Dorchester	32,145	526,564,549	13,452,260	15,756,753	490	55	22
Frederick	250,959	7,862,010,896	230,649,077	235,260,358	937	105	7
Garrett	29,261	525,071,899	12,856,221	15,712,087	537	60	18
Harford	251,890	7,383,899,804	222,796,732	220,953,511	877	98	10
Howard	319,374	13,937,711,409	444,453,384	417,067,723	1,306	146	2
Kent	19,437	481,594,260	13,487,127	14,411,076	741	83	14
Montgomery	1,048,244	47,927,957,465	1,511,061,437	1,434,181,229	1,368	153	1
Prince George's	908,801	18,253,312,350	593,189,713	546,206,417	601	67	16
Queen Anne's	49,667	1,638,487,805	52,738,420	49,029,597	987	110	5
St. Mary's	112,413	3,058,712,395	90,937,014	91,527,954	814	91	11
Somerset	25,913	244,848,615	7,857,087	7,326,773	283	32	24
Talbot	37,020	1,360,869,927	27,788,900	40,722,247	1,100	123	3
Washington	150,288	2,943,311,540	81,248,878	88,074,735	586	65	17
Wicomico	102,363	1,726,383,765	53,422,305	51,659,769	505	56	20
Worcester	51,577	1,336,590,250	24,099,157	39,995,709	775	87	12
<b>Total</b>	<b>6,024,891</b>	<b>\$180,470,902,866</b>	<b>\$5,400,354,926</b>	<b>\$5,400,354,926</b>	<b>\$896</b>	<b>100</b>	

# Combined Property and Income Tax Capacity Measures

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- 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 \$924 per capita; whereas, Worcester County would be able to generate \$4,277 per capita – the statewide average is \$2,331 per capita

**Combined Tax Capacity Index  
Fiscal 2018**

<b>County</b>	<b>Population</b>	<b>Property Hypothetical Yield</b>	<b>Income Hypothetical Yield</b>	<b>Combined Hypothetical Yield</b>	<b>County Yield Per Capita</b>	<b>Tax Capacity Index</b>	<b>Rank</b>
Allegany	71,386	\$45,288,931	\$29,770,579	\$75,059,510	\$1,051	45	23
Anne Arundel	571,592	1,008,151,601	597,922,162	1,606,073,763	2,810	121	6
Baltimore City	609,841	478,790,697	317,277,655	796,068,352	1,305	56	21
Baltimore	828,603	983,878,306	737,194,209	1,721,072,514	2,077	89	14
Calvert	91,365	148,405,535	84,907,367	233,312,901	2,554	110	7
Caroline	33,108	30,308,556	16,652,617	46,961,173	1,418	61	20
Carroll	167,620	226,723,158	159,742,406	386,465,565	2,306	99	10
Cecil	102,573	116,093,822	66,506,403	182,600,225	1,780	76	16
Charles	159,451	203,693,341	122,495,589	326,188,931	2,046	88	15
Dorchester	32,145	33,458,224	15,756,753	49,214,977	1,531	66	19
Frederick	250,959	341,815,304	235,260,358	577,075,662	2,299	99	11
Garrett	29,261	53,273,543	15,712,087	68,985,631	2,358	101	9
Harford	251,890	330,129,059	220,953,511	551,082,570	2,188	94	12
Howard	319,374	597,221,680	417,067,723	1,014,289,403	3,176	136	4
Kent	19,437	34,280,164	14,411,076	48,691,241	2,505	107	8
Montgomery	1,048,244	2,202,027,381	1,434,181,229	3,636,208,610	3,469	149	3
Prince George's	908,801	1,052,949,715	546,206,417	1,599,156,132	1,760	75	17
Queen Anne's	49,667	93,071,592	49,029,597	142,101,189	2,861	123	5
St. Mary's	112,413	145,432,617	91,527,954	236,960,572	2,108	90	13
Somerset	25,913	16,629,577	7,326,773	23,956,351	924	40	24
Talbot	37,020	97,722,235	40,722,247	138,444,481	3,740	160	2
Washington	150,288	148,921,994	88,074,735	236,996,729	1,577	68	18
Wicomico	102,363	73,012,856	51,659,769	124,672,624	1,218	52	22
Worcester	51,577	180,614,889	39,995,709	220,610,598	4,277	184	1
<b>Total</b>	<b>6,024,891</b>	<b>\$8,641,894,778</b>	<b>\$5,400,354,926</b>	<b>\$14,042,249,704</b>	<b>\$2,331</b>	<b>100</b>	

# **State Aid Reduces Fiscal Disparities Among Local Jurisdictions**

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- 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 jurisdictions

**Combined Tax Capacity Index – Adjusted for State Aid  
Fiscal 2018**

<b>County</b>	<b>Population</b>	<b>Combined Hypothetical Yield</b>	<b>State Aid Amount</b>	<b>Adjusted Hypothetical Yield</b>	<b>Adjusted Yield Per Capita</b>	<b>Adjusted Capacity Index</b>	<b>Rank</b>
Allegany	71,386	\$75,059,510	\$113,491,845	\$188,551,355	\$2,641	74	23
Anne Arundel	571,592	1,606,073,763	507,518,613	2,113,592,376	3,698	103	7
Baltimore City	609,841	796,068,352	1,389,924,865	2,185,993,217	3,585	100	8
Baltimore	828,603	1,721,072,514	832,500,498	2,553,573,012	3,082	86	20
Calvert	91,365	233,312,901	104,664,244	337,977,145	3,699	103	6
Caroline	33,108	46,961,173	66,610,732	113,571,905	3,430	96	11
Carroll	167,620	386,465,565	169,836,864	556,302,429	3,319	93	13
Cecil	102,573	182,600,225	137,438,661	320,038,886	3,120	87	19
Charles	159,451	326,188,931	211,068,520	537,257,451	3,369	94	12
Dorchester	32,145	49,214,977	53,414,714	102,629,691	3,193	89	18
Frederick	250,959	577,075,662	298,061,646	875,137,308	3,487	97	10
Garrett	29,261	68,985,631	34,291,924	103,277,555	3,530	99	9
Harford	251,890	551,082,570	260,957,847	812,040,417	3,224	90	16
Howard	319,374	1,014,289,403	336,934,394	1,351,223,797	4,231	118	4
Kent	19,437	48,691,241	13,625,267	62,316,508	3,206	90	17
Montgomery	1,048,244	3,636,208,610	942,749,916	4,578,958,526	4,368	122	2
Prince George's	908,801	1,599,156,132	1,370,041,032	2,969,197,164	3,267	91	14
Queen Anne's	49,667	142,101,189	46,061,403	188,162,592	3,788	106	5
St. Mary's	112,413	236,960,572	126,832,194	363,792,766	3,236	90	15
Somerset	25,913	23,956,351	43,335,733	67,292,084	2,597	73	24
Talbot	37,020	138,444,481	22,836,286	161,280,767	4,357	122	3
Washington	150,288	236,996,729	212,618,778	449,615,507	2,992	84	21
Wicomico	102,363	124,672,624	179,827,807	304,500,431	2,975	83	22
Worcester	51,577	220,610,598	37,034,234	257,644,832	4,995	140	1
<b>Total</b>	<b>6,024,891</b>	<b>\$14,042,249,704</b>	<b>\$7,511,678,017</b>	<b>\$21,553,927,721</b>	<b>\$3,577</b>	<b>100</b>	



**Comparison of Tax Capacity Index and State Aid Adjusted Index  
Fiscal 2018**

<b>County</b>	<b>Population</b>	<b>County Yield Per Capita</b>	<b>Tax Capacity Index</b>	<b>Rank</b>	<b>Adjusted Yield Per Capita</b>	<b>Adjusted Capacity Index</b>	<b>Rank</b>
Allegany	71,386	\$1,051	45	23	\$2,641	74	23
Anne Arundel	571,592	2,810	121	6	3,698	103	7
Baltimore City	609,841	1,305	56	21	3,585	100	8
Baltimore	828,603	2,077	89	14	3,082	86	20
Calvert	91,365	2,554	110	7	3,699	103	6
Caroline	33,108	1,418	61	20	3,430	96	11
Carroll	167,620	2,306	99	10	3,319	93	13
Cecil	102,573	1,780	76	16	3,120	87	19
Charles	159,451	2,046	88	15	3,369	94	12
Dorchester	32,145	1,531	66	19	3,193	89	18
Frederick	250,959	2,299	99	11	3,487	97	10
Garrett	29,261	2,358	101	9	3,530	99	9
Harford	251,890	2,188	94	12	3,224	90	16
Howard	319,374	3,176	136	4	4,231	118	4
Kent	19,437	2,505	107	8	3,206	90	17
Montgomery	1,048,244	3,469	149	3	4,368	122	2
Prince George's	908,801	1,760	75	17	3,267	91	14
Queen Anne's	49,667	2,861	123	5	3,788	106	5
St. Mary's	112,413	2,108	90	13	3,236	90	15
Somerset	25,913	924	40	24	2,597	73	24
Talbot	37,020	3,740	160	2	4,357	122	3
Washington	150,288	1,577	68	18	2,992	84	21
Wicomico	102,363	1,218	52	22	2,975	83	22
Worcester	51,577	4,277	184	1	4,995	140	1
<b>Total</b>	<b>6,024,891</b>	<b>\$2,331</b>	<b>100</b>		<b>\$3,577</b>	<b>100</b>	

## Tax Effort Affected by Several Factors

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- 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 and 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

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- 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 (Caroline, 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

**Property Tax Effort Index  
Fiscal 2018**

<b>County</b>	<b>Population</b>	<b>Assessable Base</b>	<b>Property Tax Revenues</b>	<b>Hypothetical Yield</b>	<b>Tax Effort Index</b>	<b>Rank</b>
Allegany	71,386	\$3,898,049,000	\$58,517,098	\$45,288,931	129	2
Anne Arundel	571,592	86,772,292,000	767,544,173	1,008,151,601	76	22
Baltimore City	609,841	41,209,840,000	849,787,019	478,790,697	177	1
Baltimore	828,603	84,683,073,000	951,558,877	983,878,306	97	18
Calvert	91,365	12,773,365,000	120,524,703	148,405,535	81	20
Caroline	33,108	2,608,678,000	31,778,627	30,308,556	105	12
Carroll	167,620	19,514,216,000	224,708,179	226,723,158	99	16
Cecil	102,573	9,992,274,000	125,348,842	116,093,822	108	9
Charles	159,451	17,532,024,000	224,354,732	203,693,341	110	7
Dorchester	32,145	2,879,772,000	39,136,451	33,458,224	117	5
Frederick	250,959	29,420,275,000	372,297,538	341,815,304	109	8
Garrett	29,261	4,585,290,000	56,223,158	53,273,543	106	10
Harford	251,890	28,414,432,000	336,646,780	330,129,059	102	14
Howard	319,374	51,403,275,000	628,482,245	597,221,680	105	11
Kent	19,437	2,950,517,000	33,557,498	34,280,164	98	17
Montgomery	1,048,244	189,529,990,000	1,857,761,858	2,202,027,381	84	19
Prince George's	908,801	90,628,096,000	1,278,578,878	1,052,949,715	121	4
Queen Anne's	49,667	8,010,735,000	71,086,175	93,071,592	76	21
St. Mary's	112,413	12,517,484,000	109,696,796	145,432,617	75	23
Somerset	25,913	1,431,319,000	19,259,443	16,629,577	116	6
Talbot	37,020	8,411,019,000	53,341,421	97,722,235	55	24
Washington	150,288	12,817,817,000	155,541,893	148,921,994	104	13
Wicomico	102,363	6,284,266,000	92,917,326	73,012,856	127	3
Worcester	51,577	15,545,646,000	183,245,068	180,614,889	101	15
<b>Total</b>	<b>6,024,891</b>	<b>\$743,813,744,000</b>	<b>\$8,641,894,778</b>	<b>\$8,641,894,778</b>	<b>100</b>	

**Income Tax Effort Index  
Fiscal 2018**

<b>County</b>	<b>Population</b>	<b>Net Taxable Income</b>	<b>Income Tax Revenues</b>	<b>Hypothetical Yield</b>	<b>Tax Effort Index</b>	<b>Rank</b>
Allegany	71,386	\$994,883,367	\$29,158,011	\$29,770,579	98	14
Anne Arundel	571,592	19,981,566,751	516,247,673	597,922,162	86	20
Baltimore City	609,841	10,602,892,897	346,796,930	317,277,655	109	1
Baltimore	828,603	24,635,807,504	680,281,749	737,194,209	92	16
Calvert	91,365	2,837,463,343	85,073,827	84,907,367	100	11
Caroline	33,108	556,502,824	14,606,294	16,652,617	88	19
Carroll	167,620	5,338,326,215	160,548,549	159,742,406	101	10
Cecil	102,573	2,222,533,651	61,090,662	66,506,403	92	18
Charles	159,451	4,093,599,390	126,513,519	122,495,589	103	8
Dorchester	32,145	526,564,549	13,452,260	15,756,753	85	21
Frederick	250,959	7,862,010,896	230,649,077	235,260,358	98	13
Garrett	29,261	525,071,899	12,856,221	15,712,087	82	22
Harford	251,890	7,383,899,804	222,796,732	220,953,511	101	9
Howard	319,374	13,937,711,409	444,453,384	417,067,723	107	5
Kent	19,437	481,594,260	13,487,127	14,411,076	94	15
Montgomery	1,048,244	47,927,957,465	1,511,061,437	1,434,181,229	105	6
Prince George's	908,801	18,253,312,350	593,189,713	546,206,417	109	2
Queen Anne's	49,667	1,638,487,805	52,738,420	49,029,597	108	3
St. Mary's	112,413	3,058,712,395	90,937,014	91,527,954	99	12
Somerset	25,913	244,848,615	7,857,087	7,326,773	107	4
Talbot	37,020	1,360,869,927	27,788,900	40,722,247	68	23
Washington	150,288	2,943,311,540	81,248,878	88,074,735	92	17
Wicomico	102,363	1,726,383,765	53,422,305	51,659,769	103	7
Worcester	51,577	1,336,590,250	24,099,157	39,995,709	60	24
<b>Total</b>	<b>6,024,891</b>	<b>\$180,470,902,866</b>	<b>\$5,400,354,926</b>	<b>\$5,400,354,926</b>	<b>100</b>	

## Combined Tax Effort Index Fiscal 2018

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	71,386	\$45,288,931	\$29,770,579	\$75,059,510	\$58,517,098	\$29,158,011	\$87,675,109	117	4
Anne Arundel	571,592	1,008,151,601	597,922,162	1,606,073,763	767,544,173	516,247,673	1,283,791,846	80	23
Baltimore City	609,841	478,790,697	317,277,655	796,068,352	849,787,019	346,796,930	1,196,583,949	150	1
Baltimore	828,603	983,878,306	737,194,209	1,721,072,514	951,558,877	680,281,749	1,631,840,626	95	17
Calvert	91,365	148,405,535	84,907,367	233,312,901	120,524,703	85,073,827	205,598,530	88	20
Caroline	33,108	30,308,556	16,652,617	46,961,173	31,778,627	14,606,294	46,384,921	99	15
Carroll	167,620	226,723,158	159,742,406	386,465,565	224,708,179	160,548,549	385,256,728	100	14
Cecil	102,573	116,093,822	66,506,403	182,600,225	125,348,842	61,090,662	186,439,504	102	10
Charles	159,451	203,693,341	122,495,589	326,188,931	224,354,732	126,513,519	350,868,251	108	6
Dorchester	32,145	33,458,224	15,756,753	49,214,977	39,136,451	13,452,260	52,588,711	107	7
Frederick	250,959	341,815,304	235,260,358	577,075,662	372,297,538	230,649,077	602,946,615	104	9
Garrett	29,261	53,273,543	15,712,087	68,985,631	56,223,158	12,856,221	69,079,379	100	12
Harford	251,890	330,129,059	220,953,511	551,082,570	336,646,780	222,796,732	559,443,512	102	11
Howard	319,374	597,221,680	417,067,723	1,014,289,403	628,482,245	444,453,384	1,072,935,629	106	8
Kent	19,437	34,280,164	14,411,076	48,691,241	33,557,498	13,487,127	47,044,625	97	16
Montgomery	1,048,244	2,202,027,381	1,434,181,229	3,636,208,610	1,857,761,858	1,511,061,437	3,368,823,295	93	19
Prince George's	908,801	1,052,949,715	546,206,417	1,599,156,132	1,278,578,878	593,189,713	1,871,768,591	117	3
Queen Anne's	49,667	93,071,592	49,029,597	142,101,189	71,086,175	52,738,420	123,824,595	87	21
St. Mary's	112,413	145,432,617	91,527,954	236,960,572	109,696,796	90,937,014	200,633,810	85	22
Somerset	25,913	16,629,577	7,326,773	23,956,351	19,259,443	7,857,087	27,116,530	113	5
Talbot	37,020	97,722,235	40,722,247	138,444,481	53,341,421	27,788,900	81,130,321	59	24
Washington	150,288	148,921,994	88,074,735	236,996,729	155,541,893	81,248,878	236,790,771	100	13
Wicomico	102,363	73,012,856	51,659,769	124,672,624	92,917,326	53,422,305	146,339,631	117	2
Worcester	51,577	180,614,889	39,995,709	220,610,598	183,245,068	24,099,157	207,344,225	94	18
<b>Total</b>	<b>6,024,891</b>	<b>\$8,641,894,778</b>	<b>\$5,400,354,926</b>	<b>\$14,042,249,704</b>	<b>\$8,641,894,778</b>	<b>\$5,400,354,926</b>	<b>\$14,042,249,704</b>	<b>100</b>	

# Tax Capacity and Effort Measures Have Strengths and Weaknesses

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## 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