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# **Tax Capacity and Effort of Local Governments in Maryland Fiscal 2017**

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Office of Policy Analysis  
Annapolis, Maryland**

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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 \$64,549 in Somerset County to a high of \$318,549 in Worcester County – the statewide average is \$147,106
- 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 2017**

<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	72,194	\$3,882,931,000	\$950,859,882	\$4,833,790,882	\$66,956	23
Anne Arundel	568,916	83,641,155,000	18,590,831,594	102,231,986,594	179,696	6
Baltimore City	616,958	40,435,301,000	9,928,282,480	50,363,583,480	81,632	21
Baltimore	831,431	81,877,601,000	23,028,857,396	104,906,458,396	126,176	15
Calvert	91,099	12,548,113,000	2,644,046,821	15,192,159,821	166,765	9
Caroline	32,887	2,597,219,000	514,455,375	3,111,674,375	94,617	20
Carroll	167,140	19,057,823,000	4,987,131,091	24,044,954,091	143,861	10
Cecil	102,701	9,774,630,000	2,091,845,898	11,866,475,898	115,544	16
Charles	157,430	17,170,805,000	3,819,968,856	20,990,773,856	133,334	14
Dorchester	32,267	2,880,050,000	493,544,251	3,373,594,251	104,552	18
Frederick	247,881	28,236,199,000	7,239,621,622	35,475,820,622	143,116	11
Garrett	29,344	4,541,238,000	472,458,454	5,013,696,454	170,859	8
Harford	250,439	27,690,358,000	6,882,664,064	34,573,022,064	138,050	12
Howard	316,966	49,321,435,000	12,879,687,884	62,201,122,884	196,239	4
Kent	19,654	2,942,793,000	440,998,083	3,383,791,083	172,168	7
Montgomery	1,048,332	182,985,419,000	44,575,842,246	227,561,261,246	217,070	3
Prince George's	911,154	84,825,809,000	16,961,896,865	101,787,705,865	111,713	17
Queen Anne's	49,178	7,835,818,000	1,510,782,421	9,346,600,421	190,057	5
St. Mary's	111,835	12,312,258,000	2,842,994,976	15,155,252,976	135,514	13
Somerset	25,833	1,434,346,000	233,149,241	1,667,495,241	64,549	24
Talbot	37,204	8,426,309,000	1,185,573,606	9,611,882,606	258,356	2
Washington	149,810	12,645,339,000	2,757,351,830	15,402,690,830	102,815	19
Wicomico	102,585	6,140,140,000	1,634,203,855	7,774,343,855	75,784	22
Worcester	51,514	15,166,496,000	1,243,262,119	16,409,758,119	318,549	1
<b>Total</b>	<b>6,024,752</b>	<b>\$718,369,585,000</b>	<b>\$167,910,310,907</b>	<b>\$886,279,895,907</b>	<b>\$147,106</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 \$53,785 in Allegany County to \$294,415 in Worcester County – the statewide average is \$119,236
- Using statewide average property tax rates, Allegany County would be able to generate \$633 per capita; whereas, Worcester County would be able to generate \$3,467 per capita – the statewide per capita average is \$1,404

**Per Capita Assessable Base in Maryland Counties  
Fiscal 2017**

<b>County</b>	<b>Population</b>	<b>Assessable Base</b>	<b>Per Capita Basis Amount</b>	<b>Ranking</b>
Allegany	72,194	\$3,882,931,000	\$53,785	24
Anne Arundel	568,916	83,641,155,000	147,018	8
Baltimore City	616,958	40,435,301,000	65,540	21
Baltimore	831,431	81,877,601,000	98,478	15
Calvert	91,099	12,548,113,000	137,742	9
Caroline	32,887	2,597,219,000	78,974	20
Carroll	167,140	19,057,823,000	114,023	10
Cecil	102,701	9,774,630,000	95,176	16
Charles	157,430	17,170,805,000	109,069	14
Dorchester	32,267	2,880,050,000	89,257	18
Frederick	247,881	28,236,199,000	113,910	11
Garrett	29,344	4,541,238,000	154,759	6
Harford	250,439	27,690,358,000	110,567	12
Howard	316,966	49,321,435,000	155,605	5
Kent	19,654	2,942,793,000	149,730	7
Montgomery	1,048,332	182,985,419,000	174,549	3
Prince George's	911,154	84,825,809,000	93,097	17
Queen Anne's	49,178	7,835,818,000	159,336	4
St. Mary's	111,835	12,312,258,000	110,093	13
Somerset	25,833	1,434,346,000	55,524	23
Talbot	37,204	8,426,309,000	226,489	2
Washington	149,810	12,645,339,000	84,409	19
Wicomico	102,585	6,140,140,000	59,854	22
Worcester	51,514	15,166,496,000	294,415	1
<b>Total</b>	<b>6,024,752</b>	<b>\$718,369,585,000</b>	<b>\$119,236</b>	

## Property Tax Capacity Index Fiscal 2017

County	Population	Assessable Base	Property Tax Revenues	Hypothetical Yield	Per Capita Hypothetical Yield	Tax Capacity Index	Rank
Allegany	72,194	\$3,882,931,000	\$57,933,736	\$45,722,129	\$633	45	24
Anne Arundel	568,916	83,641,155,000	744,097,144	984,887,874	1,731	123	8
Baltimore City	616,958	40,435,301,000	842,852,395	476,132,086	772	55	21
Baltimore	831,431	81,877,601,000	922,945,387	964,121,746	1,160	83	15
Calvert	91,099	12,548,113,000	152,895,428	147,756,022	1,622	116	9
Caroline	32,887	2,597,219,000	31,674,341	30,582,666	930	66	20
Carroll	167,140	19,057,823,000	217,947,999	224,408,890	1,343	96	10
Cecil	102,701	9,774,630,000	121,178,942	115,097,820	1,121	80	16
Charles	157,430	17,170,805,000	227,488,063	202,188,954	1,284	91	14
Dorchester	32,267	2,880,050,000	37,830,762	33,913,046	1,051	75	18
Frederick	247,881	28,236,199,000	355,634,697	332,485,724	1,341	96	11
Garrett	29,344	4,541,238,000	50,678,583	53,473,798	1,822	130	6
Harford	250,439	27,690,358,000	326,223,452	326,058,360	1,302	93	12
Howard	316,966	49,321,435,000	607,249,065	580,767,725	1,832	131	5
Kent	19,654	2,942,793,000	33,279,674	34,651,855	1,763	126	7
Montgomery	1,048,332	182,985,419,000	1,835,454,704	2,154,682,349	2,055	146	3
Prince George's	911,154	84,825,809,000	1,221,258,147	998,837,363	1,096	78	17
Queen Anne's	49,178	7,835,818,000	69,569,945	92,268,001	1,876	134	4
St. Mary's	111,835	12,312,258,000	107,741,205	144,978,792	1,296	92	13
Somerset	25,833	1,434,346,000	19,589,588	16,889,652	654	47	23
Talbot	37,204	8,426,309,000	50,611,671	99,221,126	2,667	190	2
Washington	149,810	12,645,339,000	152,606,852	148,900,874	994	71	19
Wicomico	102,585	6,140,140,000	91,382,898	72,301,123	705	50	22
Worcester	51,514	15,166,496,000	180,791,193	178,587,897	3,467	247	1
<b>Total</b>	<b>6,024,752</b>	<b>\$718,369,585,000</b>	<b>\$8,458,915,871</b>	<b>\$8,458,915,871</b>	<b>\$1,404</b>	<b>100</b>	

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

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- Income tax is the second major source of local revenues for most counties
- Per capita net taxable income ranges from \$9,025 in Somerset County to \$42,521 in Montgomery County – the statewide average is \$27,870
- Using statewide average income tax rates, Somerset County would be able to generate \$287 per capita; whereas, Montgomery County would be able to generate \$1,351 per capita – the statewide average is \$886 per capita

**Per Capita Net Taxable Income in Maryland Counties  
Fiscal 2017**

<b>County</b>	<b>Population</b>	<b>Net Taxable</b>	<b>Per Capita Basis</b>	
		<b>Income</b>	<b>Amount</b>	<b>Ranking</b>
Allegany	72,194	\$950,859,882	\$13,171	23
Anne Arundel	568,916	18,590,831,594	32,678	3
Baltimore City	616,958	9,928,282,480	16,092	19
Baltimore	831,431	23,028,857,396	27,698	9
Calvert	91,099	2,644,046,821	29,024	8
Caroline	32,887	514,455,375	15,643	21
Carroll	167,140	4,987,131,091	29,838	6
Cecil	102,701	2,091,845,898	20,368	15
Charles	157,430	3,819,968,856	24,265	12
Dorchester	32,267	493,544,251	15,296	22
Frederick	247,881	7,239,621,622	29,206	7
Garrett	29,344	472,458,454	16,101	18
Harford	250,439	6,882,664,064	27,482	10
Howard	316,966	12,879,687,884	40,634	2
Kent	19,654	440,998,083	22,438	14
Montgomery	1,048,332	44,575,842,246	42,521	1
Prince George's	911,154	16,961,896,865	18,616	16
Queen Anne's	49,178	1,510,782,421	30,721	5
St. Mary's	111,835	2,842,994,976	25,421	11
Somerset	25,833	233,149,241	9,025	24
Talbot	37,204	1,185,573,606	31,867	4
Washington	149,810	2,757,351,830	18,406	17
Wicomico	102,585	1,634,203,855	15,930	20
Worcester	51,514	1,243,262,119	24,134	13
<b>Total</b>	<b>6,024,752</b>	<b>\$167,910,310,907</b>	<b>\$27,870</b>	

## Income Tax Capacity Index Fiscal 2017

County	Population	Net Taxable Income	Income Tax Revenues	Hypothetical Yield	Per Capita Hypothetical Yield	Tax Capacity Index	Rank
Allegany	72,194	\$950,859,882	\$29,242,037	\$30,214,714	\$419	47	23
Anne Arundel	568,916	18,590,831,594	498,182,366	590,745,986	1,038	117	3
Baltimore City	616,958	9,928,282,480	334,851,015	315,483,091	511	58	19
Baltimore	831,431	23,028,857,396	697,693,977	731,769,582	880	99	9
Calvert	91,099	2,644,046,821	78,650,234	84,017,761	922	104	8
Caroline	32,887	514,455,375	14,248,824	16,347,437	497	56	21
Carroll	167,140	4,987,131,091	157,871,596	158,472,076	948	107	6
Cecil	102,701	2,091,845,898	60,232,435	66,470,914	647	73	15
Charles	157,430	3,819,968,856	121,370,569	121,384,095	771	87	12
Dorchester	32,267	493,544,251	13,158,743	15,682,961	486	55	22
Frederick	247,881	7,239,621,622	216,366,900	230,047,666	928	105	7
Garrett	29,344	472,458,454	12,525,818	15,012,934	512	58	18
Harford	250,439	6,882,664,064	217,632,577	218,704,911	873	99	10
Howard	316,966	12,879,687,884	435,233,271	409,267,540	1,291	146	2
Kent	19,654	440,998,083	13,993,109	14,013,243	713	81	14
Montgomery	1,048,332	44,575,842,246	1,508,142,156	1,416,450,886	1,351	153	1
Prince George's	911,154	16,961,896,865	586,815,515	538,984,630	592	67	16
Queen Anne's	49,178	1,510,782,421	50,212,837	48,006,925	976	110	5
St. Mary's	111,835	2,842,994,976	89,029,321	90,339,577	808	91	11
Somerset	25,833	233,149,241	7,198,886	7,408,597	287	32	24
Talbot	37,204	1,185,573,606	30,602,498	37,673,024	1,013	114	4
Washington	149,810	2,757,351,830	82,971,628	87,618,164	585	66	17
Wicomico	102,585	1,634,203,855	54,183,898	51,928,789	506	57	20
Worcester	51,514	1,243,262,119	25,141,441	39,506,146	767	87	13
<b>Total</b>	<b>6,024,752</b>	<b>\$167,910,310,907</b>	<b>\$5,335,551,651</b>	<b>\$5,335,551,651</b>	<b>\$886</b>	<b>100</b>	

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

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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 \$941 per capita; whereas, Worcester County would be able to generate \$4,234 per capita – the statewide average is \$2,290 per capita

**Combined Tax Capacity Index  
Fiscal 2017**

<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	72,194	\$45,722,129	\$30,214,714	\$75,936,843	\$1,052	46	23
Anne Arundel	568,916	984,887,874	590,745,986	1,575,633,860	2,770	121	6
Baltimore City	616,958	476,132,086	315,483,091	791,615,178	1,283	56	21
Baltimore	831,431	964,121,746	731,769,582	1,695,891,328	2,040	89	15
Calvert	91,099	147,756,022	84,017,761	231,773,783	2,544	111	7
Caroline	32,887	30,582,666	16,347,437	46,930,103	1,427	62	20
Carroll	167,140	224,408,890	158,472,076	382,880,966	2,291	100	10
Cecil	102,701	115,097,820	66,470,914	181,568,733	1,768	77	16
Charles	157,430	202,188,954	121,384,095	323,573,049	2,055	90	14
Dorchester	32,267	33,913,046	15,682,961	49,596,007	1,537	67	19
Frederick	247,881	332,485,724	230,047,666	562,533,390	2,269	99	11
Garrett	29,344	53,473,798	15,012,934	68,486,733	2,334	102	9
Harford	250,439	326,058,360	218,704,911	544,763,271	2,175	95	12
Howard	316,966	580,767,725	409,267,540	990,035,265	3,123	136	4
Kent	19,654	34,651,855	14,013,243	48,665,098	2,476	108	8
Montgomery	1,048,332	2,154,682,349	1,416,450,886	3,571,133,235	3,406	149	3
Prince George's	911,154	998,837,363	538,984,630	1,537,821,993	1,688	74	17
Queen Anne's	49,178	92,268,001	48,006,925	140,274,925	2,852	125	5
St. Mary's	111,835	144,978,792	90,339,577	235,318,369	2,104	92	13
Somerset	25,833	16,889,652	7,408,597	24,298,249	941	41	24
Talbot	37,204	99,221,126	37,673,024	136,894,150	3,680	161	2
Washington	149,810	148,900,874	87,618,164	236,519,037	1,579	69	18
Wicomico	102,585	72,301,123	51,928,789	124,229,912	1,211	53	22
Worcester	51,514	178,587,897	39,506,146	218,094,043	4,234	185	1
<b>Total</b>	<b>6,024,752</b>	<b>\$8,458,915,871</b>	<b>\$5,335,551,651</b>	<b>\$13,794,467,522</b>	<b>\$2,290</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 2017**

<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	72,194	\$75,936,843	\$111,826,960	\$187,763,803	\$2,601	74	23
Anne Arundel	568,916	1,575,633,860	505,005,817	2,080,639,677	3,657	104	7
Baltimore City	616,958	791,615,178	1,390,565,671	2,182,180,849	3,537	100	8
Baltimore	831,431	1,695,891,328	816,166,882	2,512,058,210	3,021	86	20
Calvert	91,099	231,773,783	107,443,400	339,217,183	3,724	106	6
Caroline	32,887	46,930,103	64,295,048	111,225,151	3,382	96	12
Carroll	167,140	382,880,966	174,937,450	557,818,416	3,337	95	13
Cecil	102,701	181,568,733	136,415,599	317,984,332	3,096	88	19
Charles	157,430	323,573,049	211,693,440	535,266,489	3,400	97	11
Dorchester	32,267	49,596,007	51,225,865	100,821,872	3,125	89	18
Frederick	247,881	562,533,390	293,063,309	855,596,699	3,452	98	10
Garrett	29,344	68,486,733	35,127,614	103,614,347	3,531	100	9
Harford	250,439	544,763,271	261,251,647	806,014,918	3,218	91	14
Howard	316,966	990,035,265	335,943,558	1,325,978,823	4,183	119	4
Kent	19,654	48,665,098	14,042,541	62,707,639	3,191	91	16
Montgomery	1,048,332	3,571,133,235	928,532,692	4,499,665,927	4,292	122	3
Prince George's	911,154	1,537,821,993	1,340,392,627	2,878,214,620	3,159	90	17
Queen Anne's	49,178	140,274,925	45,711,764	185,986,689	3,782	107	5
St. Mary's	111,835	235,318,369	123,025,106	358,343,475	3,204	91	15
Somerset	25,833	24,298,249	40,881,998	65,180,247	2,523	72	24
Talbot	37,204	136,894,150	23,545,313	160,439,463	4,312	122	2
Washington	149,810	236,519,037	207,276,130	443,795,167	2,962	84	21
Wicomico	102,585	124,229,912	175,977,975	300,207,887	2,926	83	22
Worcester	51,514	218,094,043	37,206,652	255,300,695	4,956	141	1
<b>Total</b>	<b>6,024,752</b>	<b>\$13,794,467,522</b>	<b>\$7,431,555,058</b>	<b>\$21,226,022,580</b>	<b>\$3,523</b>	<b>100</b>	

**Comparison of Tax Capacity Index and State Aid Adjusted Index  
Fiscal 2017**

<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	72,194	\$1,052	46	23	\$2,601	74	23
Anne Arundel	568,916	2,770	121	6	3,657	104	7
Baltimore City	616,958	1,283	56	21	3,537	100	8
Baltimore	831,431	2,040	89	15	3,021	86	20
Calvert	91,099	2,544	111	7	3,724	106	6
Caroline	32,887	1,427	62	20	3,382	96	12
Carroll	167,140	2,291	100	10	3,337	95	13
Cecil	102,701	1,768	77	16	3,096	88	19
Charles	157,430	2,055	90	14	3,400	97	11
Dorchester	32,267	1,537	67	19	3,125	89	18
Frederick	247,881	2,269	99	11	3,452	98	10
Garrett	29,344	2,334	102	9	3,531	100	9
Harford	250,439	2,175	95	12	3,218	91	14
Howard	316,966	3,123	136	4	4,183	119	4
Kent	19,654	2,476	108	8	3,191	91	16
Montgomery	1,048,332	3,406	149	3	4,292	122	3
Prince George's	911,154	1,688	74	17	3,159	90	17
Queen Anne's	49,178	2,852	125	5	3,782	107	5
St. Mary's	111,835	2,104	92	13	3,204	91	15
Somerset	25,833	941	41	24	2,523	72	24
Talbot	37,204	3,680	161	2	4,312	122	2
Washington	149,810	1,579	69	18	2,962	84	21
Wicomico	102,585	1,211	53	22	2,926	83	22
Worcester	51,514	4,234	185	1	4,956	141	1
<b>Total</b>	<b>6,024,752</b>	<b>\$2,290</b>	<b>100</b>		<b>\$3,523</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 2017**

<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	72,194	\$3,882,931,000	\$57,933,736	\$45,722,129	127	2
Anne Arundel	568,916	83,641,155,000	744,097,144	984,887,874	76	21
Baltimore City	616,958	40,435,301,000	842,852,395	476,132,086	177	1
Baltimore	831,431	81,877,601,000	922,945,387	964,121,746	96	18
Calvert	91,099	12,548,113,000	152,895,428	147,756,022	103	12
Caroline	32,887	2,597,219,000	31,674,341	30,582,666	104	11
Carroll	167,140	19,057,823,000	217,947,999	224,408,890	97	16
Cecil	102,701	9,774,630,000	121,178,942	115,097,820	105	9
Charles	157,430	17,170,805,000	227,488,063	202,188,954	113	6
Dorchester	32,267	2,880,050,000	37,830,762	33,913,046	112	7
Frederick	247,881	28,236,199,000	355,634,697	332,485,724	107	8
Garrett	29,344	4,541,238,000	50,678,583	53,473,798	95	19
Harford	250,439	27,690,358,000	326,223,452	326,058,360	100	15
Howard	316,966	49,321,435,000	607,249,065	580,767,725	105	10
Kent	19,654	2,942,793,000	33,279,674	34,651,855	96	17
Montgomery	1,048,332	182,985,419,000	1,835,454,704	2,154,682,349	85	20
Prince George's	911,154	84,825,809,000	1,221,258,147	998,837,363	122	4
Queen Anne's	49,178	7,835,818,000	69,569,945	92,268,001	75	22
St. Mary's	111,835	12,312,258,000	107,741,205	144,978,792	74	23
Somerset	25,833	1,434,346,000	19,589,588	16,889,652	116	5
Talbot	37,204	8,426,309,000	50,611,671	99,221,126	51	24
Washington	149,810	12,645,339,000	152,606,852	148,900,874	102	13
Wicomico	102,585	6,140,140,000	91,382,898	72,301,123	126	3
Worcester	51,514	15,166,496,000	180,791,193	178,587,897	101	14
<b>Total</b>	<b>6,024,752</b>	<b>\$718,369,585,000</b>	<b>\$8,458,915,871</b>	<b>\$8,458,915,871</b>	<b>100</b>	

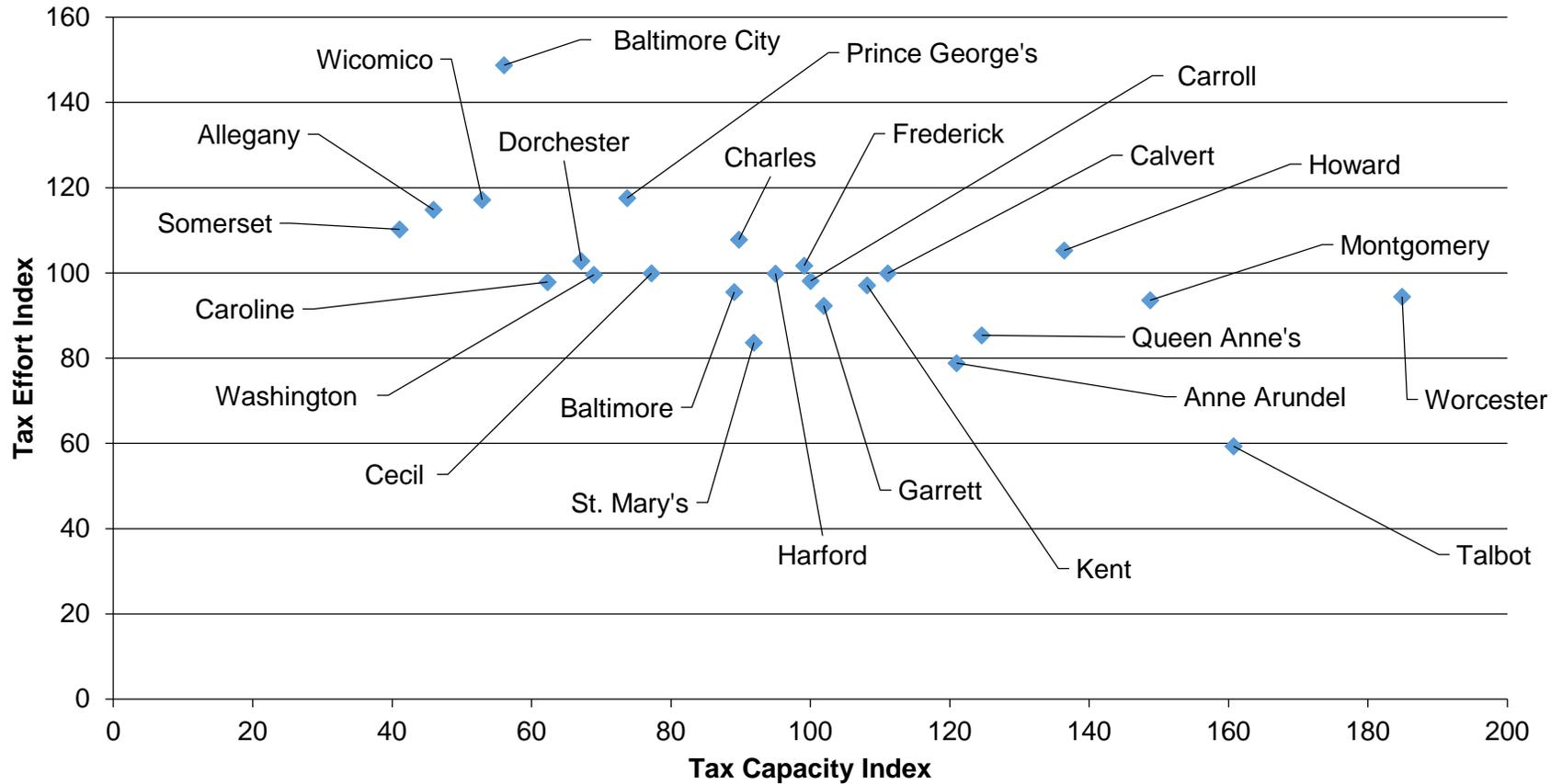
**Income Tax Effort Index  
Fiscal 2017**

<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	72,194	\$950,859,882	\$29,242,037	\$30,214,714	97	13
Anne Arundel	568,916	18,590,831,594	498,182,366	590,745,986	84	20
Baltimore City	616,958	9,928,282,480	334,851,015	315,483,091	106	4
Baltimore	831,431	23,028,857,396	697,693,977	731,769,582	95	14
Calvert	91,099	2,644,046,821	78,650,234	84,017,761	94	17
Caroline	32,887	514,455,375	14,248,824	16,347,437	87	19
Carroll	167,140	4,987,131,091	157,871,596	158,472,076	100	9
Cecil	102,701	2,091,845,898	60,232,435	66,470,914	91	18
Charles	157,430	3,819,968,856	121,370,569	121,384,095	100	7
Dorchester	32,267	493,544,251	13,158,743	15,682,961	84	21
Frederick	247,881	7,239,621,622	216,366,900	230,047,666	94	16
Garrett	29,344	472,458,454	12,525,818	15,012,934	83	22
Harford	250,439	6,882,664,064	217,632,577	218,704,911	100	10
Howard	316,966	12,879,687,884	435,233,271	409,267,540	106	3
Kent	19,654	440,998,083	13,993,109	14,013,243	100	8
Montgomery	1,048,332	44,575,842,246	1,508,142,156	1,416,450,886	106	2
Prince George's	911,154	16,961,896,865	586,815,515	538,984,630	109	1
Queen Anne's	49,178	1,510,782,421	50,212,837	48,006,925	105	5
St. Mary's	111,835	2,842,994,976	89,029,321	90,339,577	99	11
Somerset	25,833	233,149,241	7,198,886	7,408,597	97	12
Talbot	37,204	1,185,573,606	30,602,498	37,673,024	81	23
Washington	149,810	2,757,351,830	82,971,628	87,618,164	95	15
Wicomico	102,585	1,634,203,855	54,183,898	51,928,789	104	6
Worcester	51,514	1,243,262,119	25,141,441	39,506,146	64	24
<b>Total</b>	<b>6,024,752</b>	<b>\$167,910,310,907</b>	<b>\$5,335,551,651</b>	<b>\$5,335,551,651</b>	<b>100</b>	

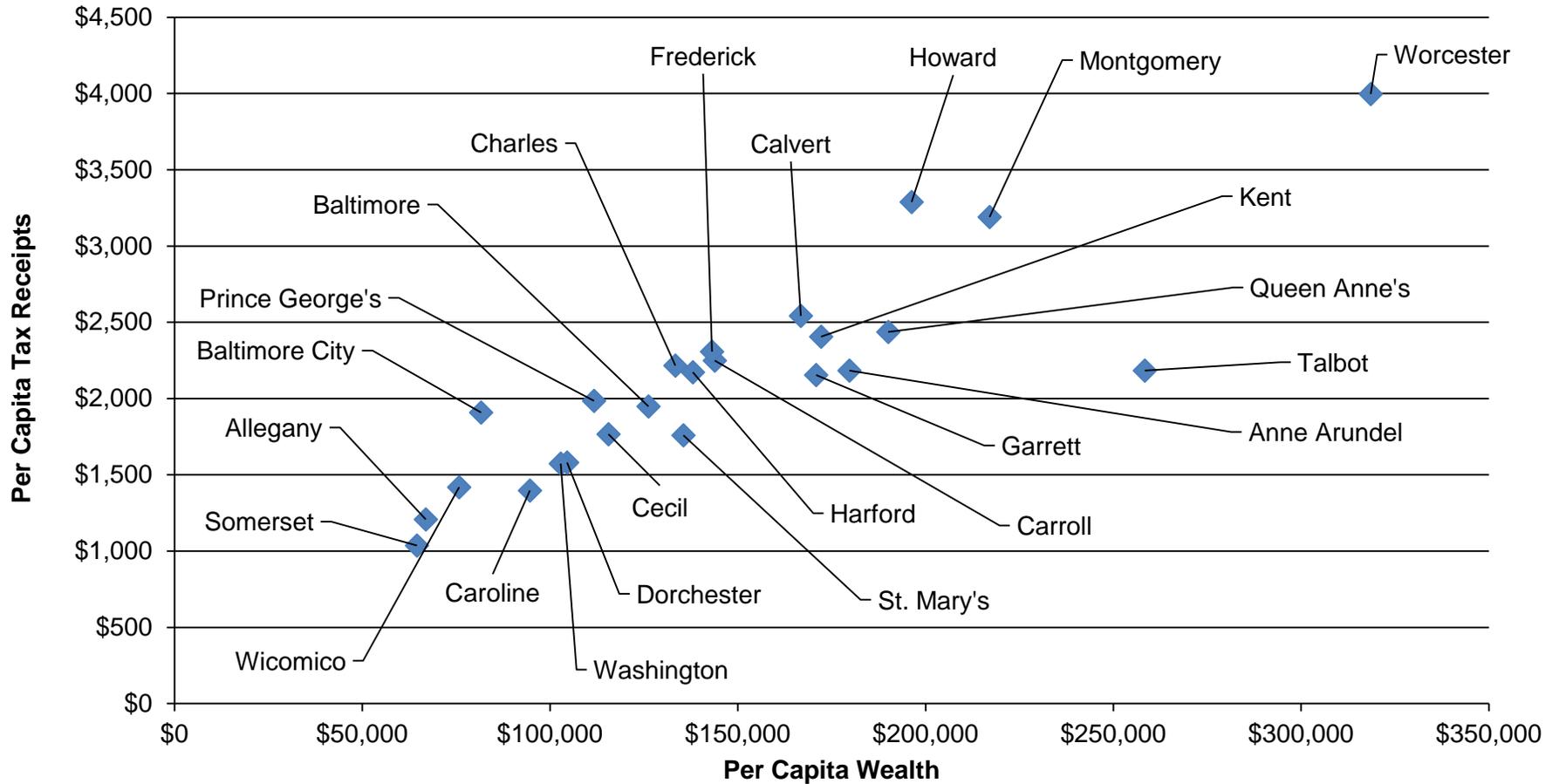
## Combined Tax Effort Index Fiscal 2017

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	72,194	\$45,722,129	\$30,214,714	\$75,936,843	\$57,933,736	\$29,242,037	\$87,175,773	115	4
Anne Arundel	568,916	984,887,874	590,745,986	1,575,633,860	744,097,144	498,182,366	1,242,279,510	79	23
Baltimore City	616,958	476,132,086	315,483,091	791,615,178	842,852,395	334,851,015	1,177,703,410	149	1
Baltimore	831,431	964,121,746	731,769,582	1,695,891,328	922,945,387	697,693,977	1,620,639,364	96	17
Calvert	91,099	147,756,022	84,017,761	231,773,783	152,895,428	78,650,234	231,545,662	100	11
Caroline	32,887	30,582,666	16,347,437	46,930,103	31,674,341	14,248,824	45,923,165	98	15
Carroll	167,140	224,408,890	158,472,076	382,880,966	217,947,999	157,871,596	375,819,595	98	14
Cecil	102,701	115,097,820	66,470,914	181,568,733	121,178,942	60,232,435	181,411,377	100	10
Charles	157,430	202,188,954	121,384,095	323,573,049	227,488,063	121,370,569	348,858,632	108	6
Dorchester	32,267	33,913,046	15,682,961	49,596,007	37,830,762	13,158,743	50,989,505	103	8
Frederick	247,881	332,485,724	230,047,666	562,533,390	355,634,697	216,366,900	572,001,597	102	9
Garrett	29,344	53,473,798	15,012,934	68,486,733	50,678,583	12,525,818	63,204,401	92	20
Harford	250,439	326,058,360	218,704,911	544,763,271	326,223,452	217,632,577	543,856,029	100	12
Howard	316,966	580,767,725	409,267,540	990,035,265	607,249,065	435,233,271	1,042,482,336	105	7
Kent	19,654	34,651,855	14,013,243	48,665,098	33,279,674	13,993,109	47,272,783	97	16
Montgomery	1,048,332	2,154,682,349	1,416,450,886	3,571,133,235	1,835,454,704	1,508,142,156	3,343,596,860	94	19
Prince George's	911,154	998,837,363	538,984,630	1,537,821,993	1,221,258,147	586,815,515	1,808,073,662	118	2
Queen Anne's	49,178	92,268,001	48,006,925	140,274,925	69,569,945	50,212,837	119,782,782	85	21
St. Mary's	111,835	144,978,792	90,339,577	235,318,369	107,741,205	89,029,321	196,770,526	84	22
Somerset	25,833	16,889,652	7,408,597	24,298,249	19,589,588	7,198,886	26,788,474	110	5
Talbot	37,204	99,221,126	37,673,024	136,894,150	50,611,671	30,602,498	81,214,169	59	24
Washington	149,810	148,900,874	87,618,164	236,519,037	152,606,852	82,971,628	235,578,480	100	13
Wicomico	102,585	72,301,123	51,928,789	124,229,912	91,382,898	54,183,898	145,566,796	117	3
Worcester	51,514	178,587,897	39,506,146	218,094,043	180,791,193	25,141,441	205,932,634	94	18
<b>Total</b>	<b>6,024,752</b>	<b>\$8,458,915,871</b>	<b>\$5,335,551,651</b>	<b>\$13,794,467,522</b>	<b>\$8,458,915,871</b>	<b>\$5,335,551,651</b>	<b>\$13,794,467,522</b>	<b>100</b>	

# Correlation of Tax Capacity and Tax Effort



# Correlation of Tax Revenues and Local Wealth



# 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