

February 6, 2025

The Hon. Helene Grady
Department of Budget & Management
40 Calvert Street
Annapolis, MD 21401

Victoria L. Gruber
Executive Director
Department of Legislative Services
Annapolis, Maryland 21401

Re: Bureau of Revenue Estimates Analysis of SB 321 / HB 352, The Budget Reconciliation and Financing Act

Dear Secretary Grady and Executive Director Gruber:

I am writing to share the analysis by the Bureau of Revenue Estimates (BRE) of the tax changes included in Governor Moore's Fiscal Year 2026 budget proposal.

The BRE serves as both economic staff for the Comptroller of Maryland and staff for the Board of Revenue Estimates. Per statute, the BRE is housed under the Revenue Operations and Accounting Department, which I oversee. As staff for the Office of the Comptroller, the BRE is responsible for scoring revenue proposals. Since the budget and BRFA were released in final form on January 15th, 2025, the BRE team has worked to thoroughly understand and score the Governor's FY26 tax proposals.

Because the budget bill and BRFA are now published pieces of legislation sitting with the House of Delegates and this document is final, this final estimate will be transmitted to the Department of Legislative Services (DLS). DLS will give a final score to these bills, as they do for all revenue bills.



Thank you for the opportunity to share the BRE's analysis. As always, we welcome the opportunity to answer any questions you might have.

Sincerely,

A handwritten signature in cursive script, appearing to read "Andy Schaufele".

Andrew "Andy" Schaufele
Chief Deputy Comptroller of Maryland

cc: Brooke E. Lierman, Comptroller of Maryland
Fagan Harris, Office of Governor Wes Moore
Eric Luedtke, Office of Governor Wes Moore
David Romans, Department of Legislative Services

February 6, 2025

The Hon. Helene Grady
Secretary of Budget and Management
Department of Budget and Management
Annapolis, Maryland 21401

Victoria L. Gruber
Executive Director
Department of Legislative Services
Annapolis, Maryland 21401

Dear Secretary Grady and Executive Director Gruber:

In response to requests from elected officials and staff from State and county agencies, the Bureau of Revenue Estimates is publishing data on changes to the personal income tax proposed by SB 321/HB 352 (The Budget Reconciliation and Financing Act of 2025). The first part of this analysis shows the tax incidence of the proposed changes to income tax rates and the elimination of itemized deductions while doubling the value of the standard deductions. This analysis is based on a microsimulation of tax year 2023 resident returns. Most taxpayers will be impacted by the changes – about 6 in 10 will have a modest decrease (average of \$173) while 2 in 10 will have a larger (average of \$1,458) tax increase. In general, the proposal will reduce tax liabilities for most lower-income taxpayers and increase liabilities for higher-income taxpayers, particularly for taxpayers with the most income, who would have paid \$20,800 more in taxes, but many taxpayers with modest income who itemize would have paid more in taxes.

The second part examines the impact on taxpayers and the revenue generated by the proposed 1% surcharge on capital gains income for those taxpayers with federal adjusted gross income of greater than \$350,000. In recent years, a little more than three-fourths of all capital gains would have been subject to the tax. About 55,200 taxpayers would have paid the tax in tax year 2020, the latest year of detailed data. The average tax increase was \$2,442, but more than three-fourths of the revenue gain would have been from about 10,200 taxpayers with FAGI of more than \$1 million. The average increase for these taxpayers was \$10,393.



Lastly, the analysis pulls together the fiscal impact by the rates and deduction changes, capital gains surcharge, and proposed expansion of the child tax credit. Our preliminary analysis indicates that the child tax credit expansion will have a modest fiscal impact as it would expand eligibility to 15,600 taxpayers who would have claimed an average credit of \$363. In aggregate, we estimate that in tax year 2023 net State income tax revenues would have increased by about \$600 million, a 5.4% increase. Most of this revenue gain is due to the proposed rate and deduction changes (\$478 million) with the capital gains surcharge increasing revenues by \$125 million.

It should be noted that the proposal on net shifts tax burdens to a smaller number of high-income taxpayers who have a greater share of volatile nonwage income. Accordingly, State income tax revenues will increase more in good years and grow more slowly or decline by a greater amount in recessions and/or stock market corrections. As such, the revenue gains from the proposed changes likely will vary from year-to-year as we go from booms to busts.

I would like to thank the hard work of the BRE team that made this analysis possible with a special acknowledgement to Natalia Medynets, Ben Uy, and Jennifer Brezler, as well as Chief Deputy Comptroller Andy Schaufele.

Please do not hesitate to contact me if you have questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert J. Rehrmann", with a long horizontal flourish extending to the right.

Robert J. Rehrmann

cc: Brooke E. Lierman, Comptroller of Maryland
Andrew Schaufele, Chief Deputy Comptroller

Rate and Deduction Proposals

The federal Tax Cuts and Jobs Act (TCJA) of 2017 significantly impacted the State income tax. Notably, there was a significant shift to taxpayers who claim the standard deduction rather than itemizing deductions. Given the lower relative value of the State deduction, this shift benefitted the State by increasing State and local income tax revenues.

In tax year 2023, about 20% of taxpayers itemized deductions for State income tax purposes, compared to 53% in the year before the federal Act. Although only 20% of taxpayers itemize, their deductions (\$18.4 billion) comprise about 70% of the \$26.6 billion in standard and itemized deductions claimed. In recent tax years mortgage interest has been the largest component of itemized deductions. The other significant deductions are charitable contributions, medical expenses, and State and local taxes paid.

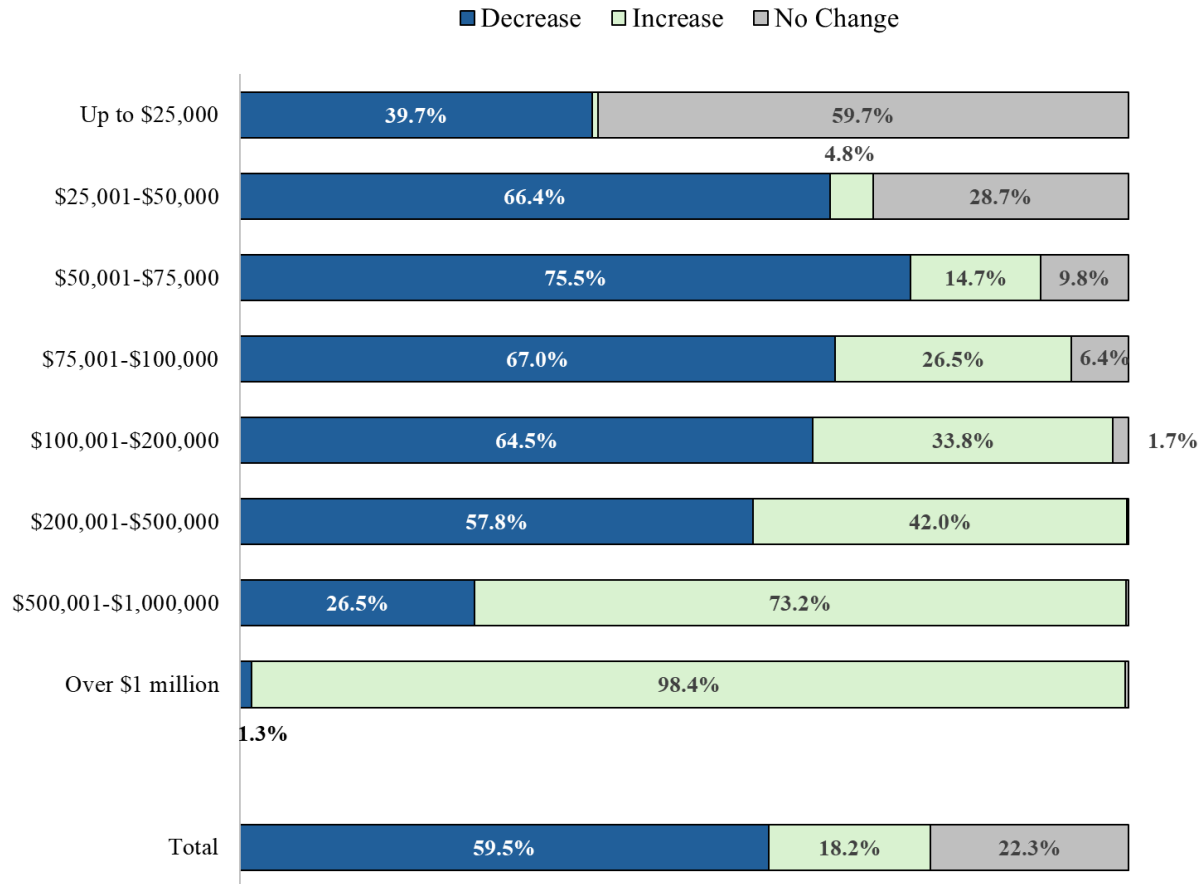
High-income taxpayers have more deductible expenses – mortgage interest, property taxes – and make more charitable contributions. As a result, most lower-income taxpayers claim the standard deduction with most higher-income taxpayers itemizing deductions. A surprisingly amount of high-income taxpayers claim the standard deduction; however, as about one-quarter of Maryland residents with federal adjusted gross income of \$1 million or more claimed the standard deduction for state income tax purposes.

TCJA expires at the end of this year, creating significant uncertainty over State and local income tax revenues. In the absence of federal action, several key federal income tax provisions related to deductions will revert to tax year 2017 law causing many taxpayers to “shift back” to itemizing deductions. State and local governments will “lose” the additional increase in revenues caused by the Act and the December Board forecast reduces the personal income tax forecast modestly in FY 2026 and by about \$300 million annually beginning in FY 2027. By eliminating itemized deductions, the BRFA of 2025 effectively “decouples” the State from federal changes to deductions. If enacted, the Bureau would eliminate the reduction in State revenues assumed in its forecast, thereby increasing State revenues by the current reduction assumed in the forecast. This revenue impact is assumed in the Budget as introduced by the Governor.

The expiration of TCJA and its impact on taxpayers who elect to itemize also decreases local income tax revenues modestly in FY 2026 and by about \$200 million annually beginning in FY 2027. If enacted, the BRFA of 2025 will also prevent this loss in local income tax revenues. The actual impact on local revenues and spending incorporated is less clear and dependent on the assumptions each local budget incorporates, if any, about the termination of TCJA. It should be noted that it is uncertain whether or not Congress extends TCJA, and if extended whether there are additional changes that will further impact State and local revenues.

The charts below detail by the amount of taxpayer federal adjusted gross income (FAGI) the number of returns with a decrease in State tax liability, an increase in State tax liability, and no change in State tax liability as well as the change in average tax liabilities. The last chart has information on the local revenue impact by county due to the proposed deduction changes.

Change in Tax Year 2023 State Income Tax Liability by Federal Adjusted Gross Income



Note: These impacts represent the proposed changes in income tax rates and deductions.

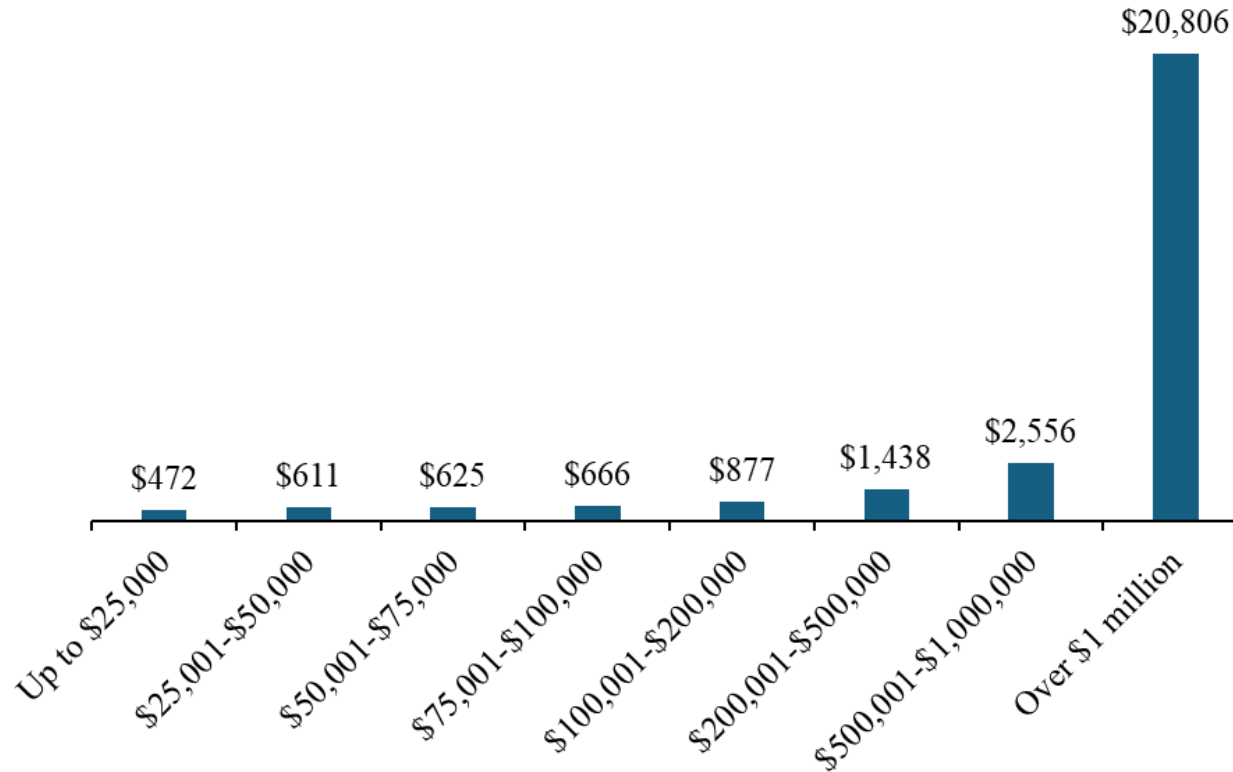
Source: Bureau of Revenue Estimates

**Average State Tax Decrease
Taxpayers with a Decrease in Liabilities
by Federal Adjusted Gross Income**



Note: These impacts represent the proposed changes in income tax rates and deductions.
Source: Bureau of Revenue Estimates

**Average State Tax Increase
Taxpayers with an Increase in Liabilities
by Federal Adjusted Gross Income**



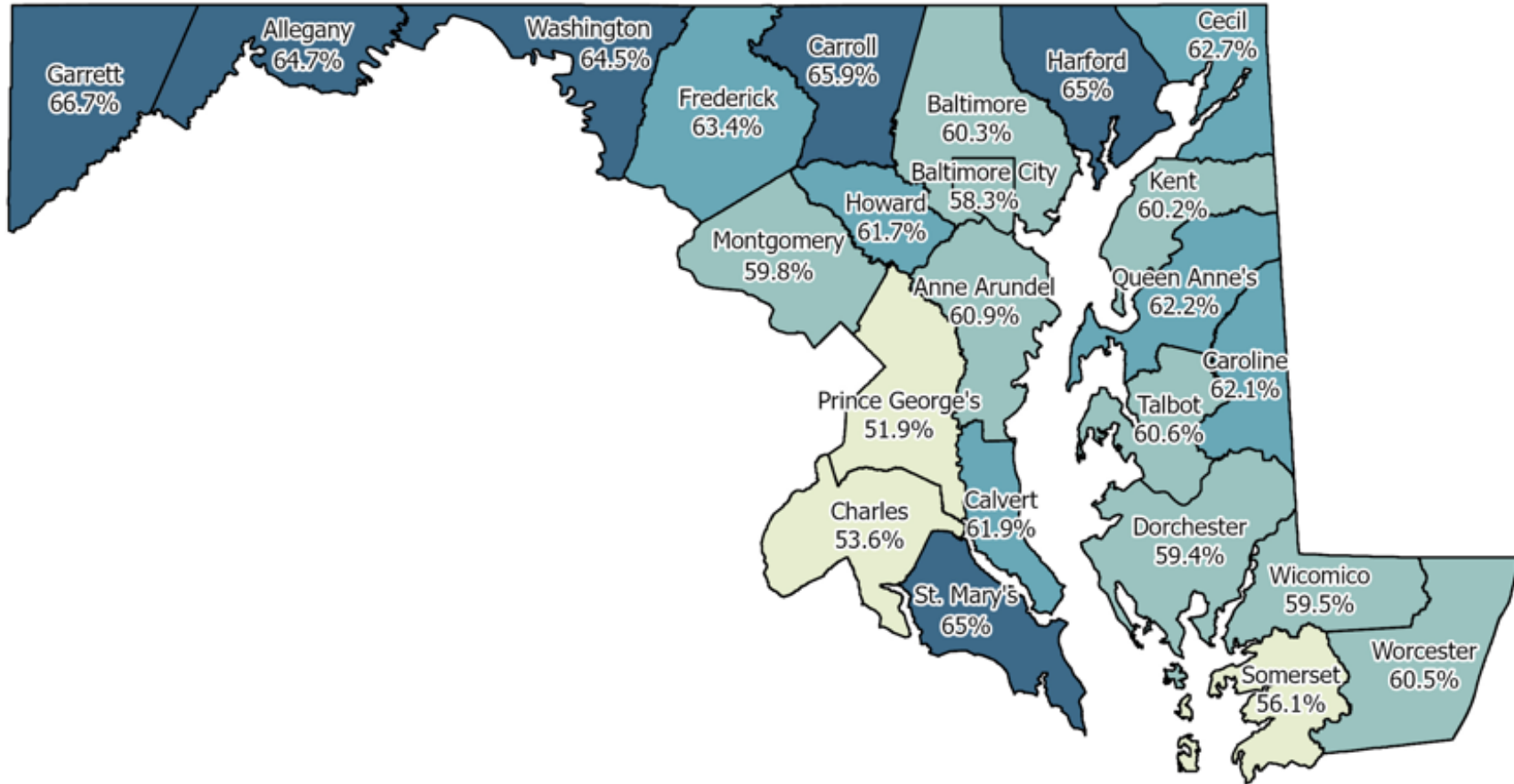
Note: These impacts represent the proposed changes in income tax rates and deductions.
Source: Bureau of Revenue Estimates

**Change in Tax Year 2023 State Income Liabilities by Federal Adjusted Gross Income
Taxpayers with a Decrease, Increase, and No Change
Income Tax Bracket and Itemized Deduction Proposals**

| FAGI | Decrease | | | Increase | | | No Change | | Total | |
|-----------------------|------------------|------------------------|----------------|----------------|----------------------|--------------|----------------|------------|------------------|----------------------|
| | Returns | Net Change | Average | Returns | Net Change | Average | Returns | Net Change | Returns | Net Change |
| Up to \$25,000 | 277,120 | (\$27,224,000) | (\$98) | 4,538 | \$2,142,000 | \$472 | 417,166 | - | 698,824 | (\$25,082,000) |
| \$25,001-\$50,000 | 384,669 | (47,342,000) | (123) | 28,054 | 17,139,000 | 611 | 166,298 | - | 579,021 | (30,203,000) |
| \$50,001-\$75,000 | 324,205 | (48,557,000) | (150) | 63,026 | 39,373,000 | 625 | 42,261 | - | 429,492 | (9,184,000) |
| \$75,001-\$100,000 | 205,865 | (35,811,000) | (174) | 81,488 | 54,306,000 | 666 | 19,795 | - | 307,148 | 18,495,000 |
| \$100,001-\$200,000 | 392,458 | (92,567,000) | (236) | 205,576 | 180,266,000 | 877 | 10,329 | - | 608,363 | 87,699,000 |
| \$200,001-\$500,000 | 161,659 | (49,956,000) | (309) | 117,590 | 169,140,000 | 1,438 | 560 | - | 279,809 | 119,184,000 |
| \$500,001-\$1,000,000 | 8,678 | (2,588,000) | (298) | 24,015 | 61,384,000 | 2,556 | 97 | - | 32,790 | 58,796,000 |
| Over \$1 million | 169 | (44,000) | (263) | 12,429 | 258,601,000 | 20,806 | 39 | - | 12,637 | 258,556,000 |
| Total | 1,754,823 | (\$304,090,000) | (\$173) | 536,716 | \$782,351,000 | 1,458 | 656,545 | - | 2,948,084 | \$478,261,000 |

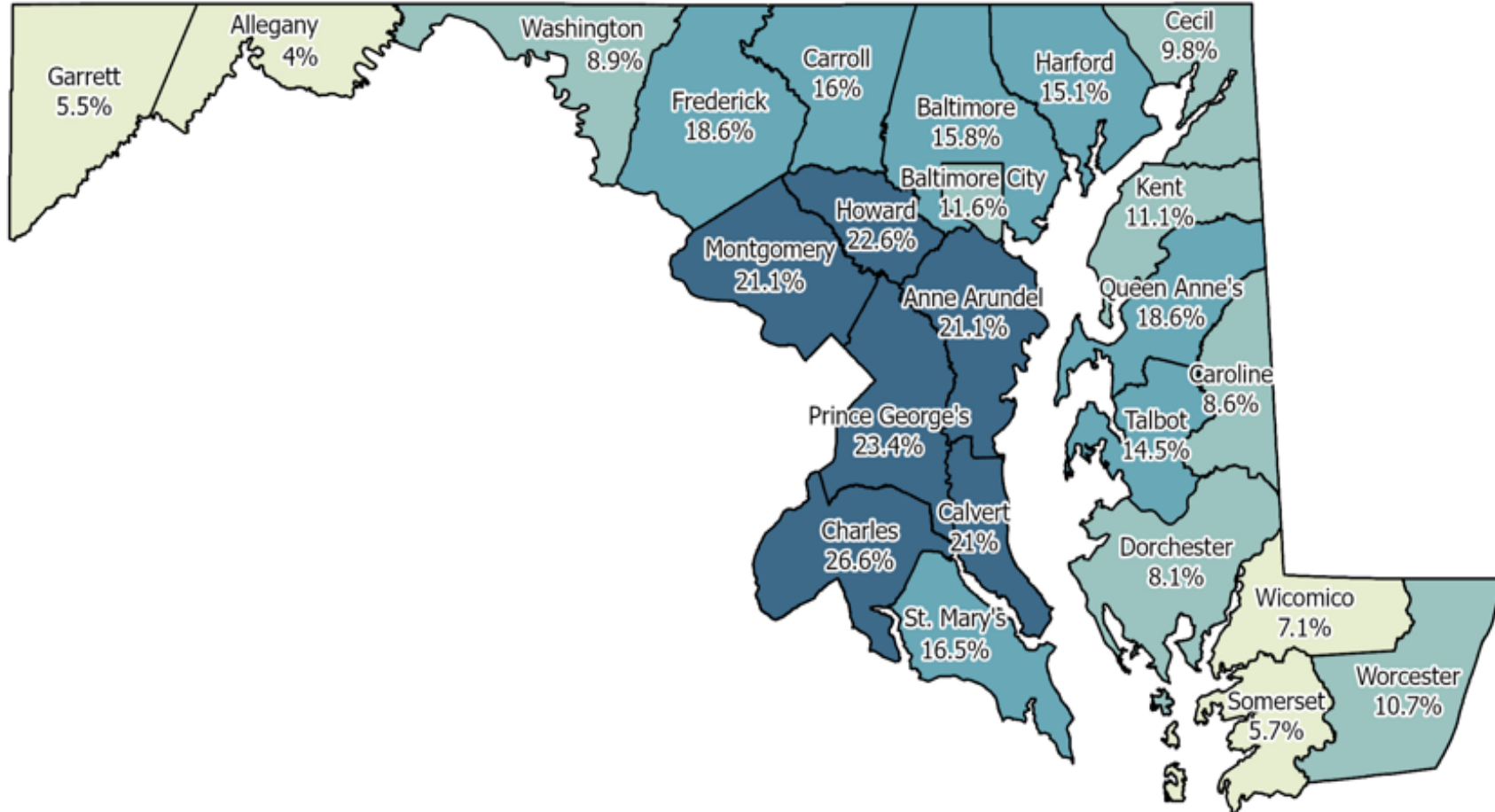
Source: Bureau of Revenue Estimates

Share of Tax Returns with a Decrease in State Taxes Tax Year 2023



Note: These impacts represent the proposed changes in income tax rates and deductions.
Source: Bureau of Revenue Estimates

Share of Tax Returns with an Increase in State Taxes Tax Year 2023



Note: These impacts represent the proposed changes in income tax rates and deductions.
Source: Bureau of Revenue Estimates

Impact on Local Income Tax Revenues
Proposed Changes to Deductions
FY 2026 - FY 2030
(\$ in Millions)

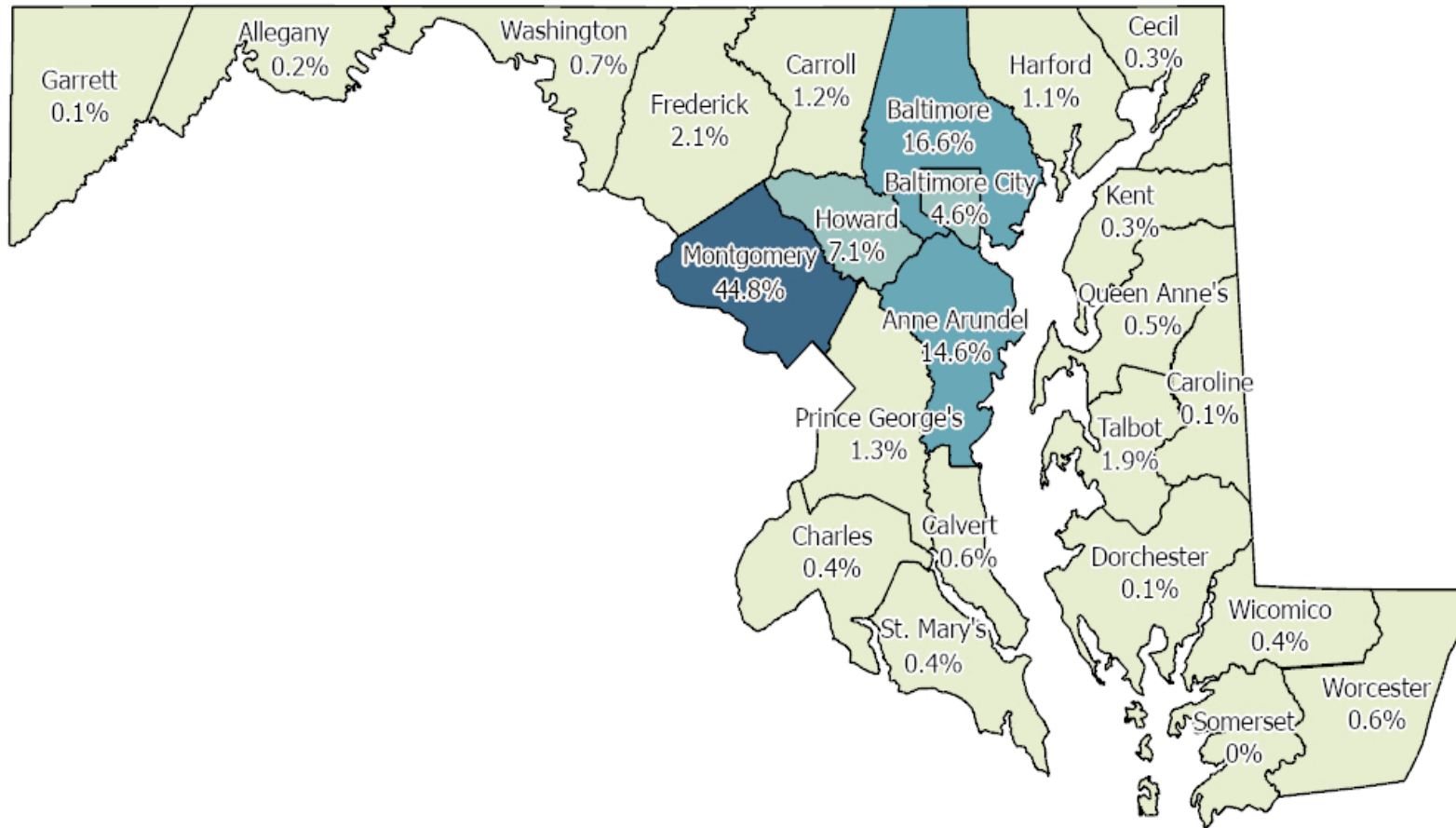
| <u>County</u> | <u>FY 2026</u> | <u>FY 2027</u> | <u>FY 2028</u> | <u>FY 2029</u> | <u>FY 2030</u> |
|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Allegany | (\$3.2) | (\$2.4) | (\$2.4) | (\$2.4) | (\$2.4) |
| Anne Arundel | 19.1 | 14.3 | 14.5 | 14.6 | 14.8 |
| Baltimore City | (10.0) | (7.5) | (7.6) | (7.6) | (7.7) |
| Baltimore | 5.8 | 4.3 | 4.4 | 4.4 | 4.5 |
| Calvert | 1.9 | 1.4 | 1.4 | 1.4 | 1.4 |
| Caroline | (1.4) | (1.1) | (1.1) | (1.1) | (1.1) |
| Carroll | (1.3) | (1.0) | (1.0) | (1.0) | (1.0) |
| Cecil | (3.6) | (2.7) | (2.7) | (2.7) | (2.8) |
| Charles | 9.3 | 6.9 | 7.0 | 7.1 | 7.2 |
| Dorchester | (1.3) | (1.0) | (1.0) | (1.0) | (1.0) |
| Frederick | 3.8 | 2.9 | 2.9 | 2.9 | 3.0 |
| Garrett | (1.2) | (0.9) | (0.9) | (0.9) | (0.9) |
| Harford | (3.7) | (2.8) | (2.8) | (2.8) | (2.9) |
| Howard | 16.3 | 12.2 | 12.4 | 12.5 | 12.6 |
| Kent | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Montgomery | 75.1 | 56.3 | 56.8 | 57.4 | 58.0 |
| Prince George's | 44.8 | 33.6 | 33.9 | 34.3 | 34.6 |
| Queen Anne's | 0.7 | 0.5 | 0.5 | 0.5 | 0.5 |
| St. Mary's | (1.4) | (1.0) | (1.0) | (1.0) | (1.0) |
| Somerset | (1.0) | (0.7) | (0.7) | (0.7) | (0.7) |
| Talbot | 1.1 | 0.8 | 0.8 | 0.8 | 0.8 |
| Washington | (5.1) | (3.8) | (3.9) | (3.9) | (4.0) |
| Wicomico | (4.7) | (3.5) | (3.6) | (3.6) | (3.6) |
| Worcester | (0.8) | (0.6) | (0.6) | (0.6) | (0.6) |
| Total | \$139.3 | \$104.4 | \$105.5 | \$106.6 | \$107.7 |

Source: Bureau of Revenue Estimates

Capital Gains Proposal

The charts below illustrate the distribution of capital gains income subject to the proposed tax and the number of taxpayers who would have been subject to the tax during tax year 2020, the last year of detailed data. In that year, 55,180 taxpayers would have paid \$134.7 million in additional State income taxes. Based on the current Board forecast and more recent aggregate federal tax data for Maryland it is estimated that the provision would have increased State income tax revenues by \$125.3 million in tax year 2023.

**Share of Capital Gains
Taxpayers FAGI >\$350,000
Tax Year 2020**



Source: Bureau of Revenue Estimates

**Capital Gains Impact
Tax Year 2020**

| FAGI | All Returns | Returns with Capital Gains | | | |
|-----------------------|---------------|----------------------------|--------------------------------|---------------------------------|----------------------|
| | | # Returns | Capital Gains (\$ Billions) | Tax Paid-Total (\$ Millions) | Tax Paid- Average |
| \$350,000-\$500,000 | 35,231 | 24,970 | \$1.1 | \$10.8 | \$434 |
| \$500,001-\$1 million | 24,614 | 19,990 | \$1.8 | \$17.7 | \$884 |
| Over \$1 million | 11,143 | 10,220 | \$10.6 | \$106.2 | \$10,393 |
| Total | 70,988 | 55,180 | \$13.5 | \$134.7 | \$2,442 |

Source: Bureau of Revenue Estimates

Combined Impact of Proposals

The chart below shows the State tax paid under current law. The next two charts show by federal adjusted gross income the impact of the proposed changes to income tax rates, deductions, and capital gains.

The map and charts on the last two pages show by county the percentage change in State taxes due to the combined impacts of the proposed changes to income tax rates, deductions, capital gains, and child tax credit.

State Income Taxes Paid by Federal Adjusted Gross Income Current Law

| FAGI | Returns | % Returns | MAGI (\$ millions) | % MAGI | Total Taxes (\$ millions) | % Taxes |
|------------------------|------------------|-----------|-----------------------|-----------|------------------------------|---------|
| Up to \$25,000 | 698,824 | 23.7% | \$5,815 | 2.1% | \$111.4 | 1.0% |
| \$25,001-\$50,000 | 579,021 | 19.6% | 19,452 | 7.0% | 487.3 | 4.4% |
| \$50,001-\$75,000 | 429,492 | 14.6% | 23,590 | 8.5% | 777.8 | 7.0% |
| \$75,001-\$100,000 | 307,148 | 10.4% | 23,555 | 8.5% | 803.5 | 7.3% |
| \$100,001-\$200,000 | 608,363 | 20.6% | 76,737 | 27.7% | 3,004.1 | 27.1% |
| \$200,001-\$350,000 | 228,740 | 7.8% | 54,323 | 19.6% | 2,443.3 | 22.1% |
| \$350,001-\$500,000 | 51,069 | 1.7% | 19,894 | 7.2% | 942.1 | 8.5% |
| \$500,001- \$1 million | 32,790 | 1.1% | 21,135 | 7.6% | 1,025.4 | 9.3% |
| Over \$1 million | 12,637 | 0.4% | 32,387 | 11.7% | 1,478.2 | 13.3% |
| Total | 2,948,084 | | \$276,889 | | \$11,073.0 | |

Note: Tax liabilities are before refundable credits.

MAGI: Maryland Adjusted Gross Income

Source: Bureau of Revenue Estimates

Change in State Revenues by Proposal and Federal Adjusted Gross Income

| FAGI | Returns | Change in Taxes Paid - (\$ in Millions) | | | Total Taxes Paid | |
|------------------------|------------------|---|----------------|----------------|-------------------|---------|
| | | Rates/Deductions | Capital Gains | Total | \$ in Millions | % Taxes |
| Up to \$25,000 | 698,824 | (\$25.1) | - | (\$25.1) | \$86.3 | 0.7% |
| \$25,001-\$50,000 | 579,021 | (30.2) | - | (30.2) | \$457.1 | 3.9% |
| \$50,001-\$75,000 | 429,492 | (9.2) | - | (9.2) | \$768.6 | 6.6% |
| \$75,001-\$100,000 | 307,148 | 18.5 | - | 18.5 | \$822.0 | 7.0% |
| \$100,001-\$200,000 | 608,363 | 87.7 | - | 87.7 | \$3,091.8 | 26.5% |
| \$200,001-\$350,000 | 228,740 | 80.8 | - | 80.8 | \$2,524.1 | 21.6% |
| \$350,001-\$500,000 | 51,069 | 38.4 | 10.1 | 48.5 | \$990.5 | 8.5% |
| \$500,001- \$1 million | 32,790 | 58.8 | 16.4 | 75.2 | \$1,100.6 | 9.4% |
| Over \$1 million | 12,637 | 258.6 | 98.8 | 357.3 | \$1,835.5 | 15.7% |
| Total | 2,948,084 | \$478.3 | \$125.3 | \$603.5 | \$11,676.5 | |

Note: These impacts represent the proposed changes in income tax rates, deductions, and capital gains surtax.
Tax liabilities are before refundable credits.

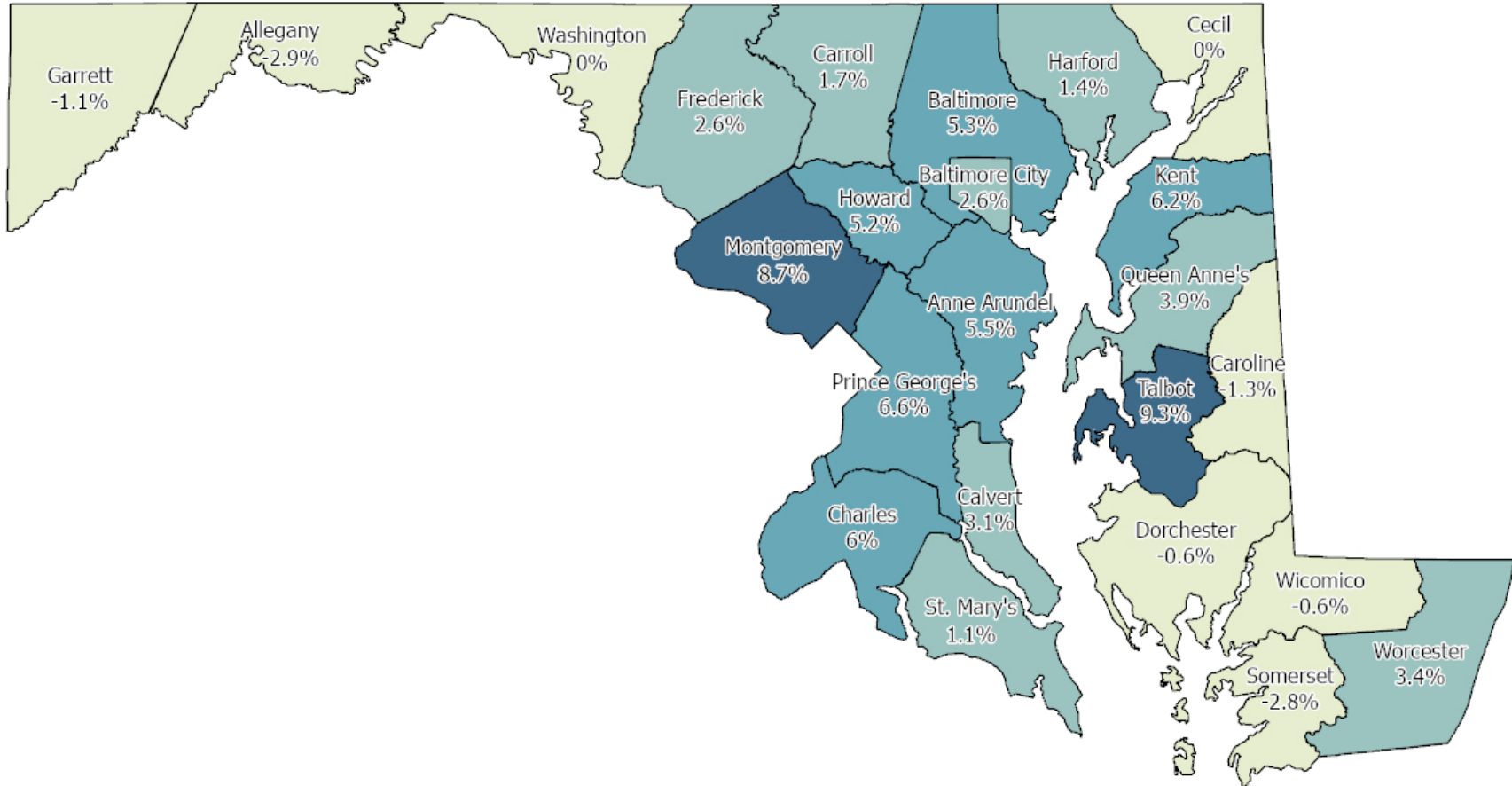
Source: Bureau of Revenue Estimates

**Net Change in Average State Tax Liabilities by Federal Adjusted Gross Income
All Taxpayers**

| FAGI | Returns | Current | Proposed | Difference |
|------------------------|------------------|----------------|-----------------|-------------------|
| Up to \$25,000 | 698,824 | \$159 | \$124 | (\$36) |
| \$25,001-\$50,000 | 579,021 | 842 | 789 | (52) |
| \$50,001-\$75,000 | 429,492 | 1,811 | 1,790 | (21) |
| \$75,001-\$100,000 | 307,148 | 2,616 | 2,676 | 60 |
| \$100,001-\$200,000 | 608,363 | 4,938 | 5,082 | 144 |
| \$200,001-\$350,000 | 228,740 | 10,682 | 11,035 | 353 |
| \$350,001-\$500,000 | 51,069 | 18,447 | 19,396 | 949 |
| \$500,001- \$1 million | 32,790 | 31,270 | 33,565 | 2,294 |
| Over \$1 million | 12,637 | 116,971 | 145,247 | 28,276 |
| Total | 2,948,084 | \$3,756 | \$3,961 | \$205 |

Note: These impacts represent the proposed changes in income tax rates, deductions, and capital gains surtax.
Source: Bureau of Revenue Estimates

Percentage Increase in State Income Taxes by County



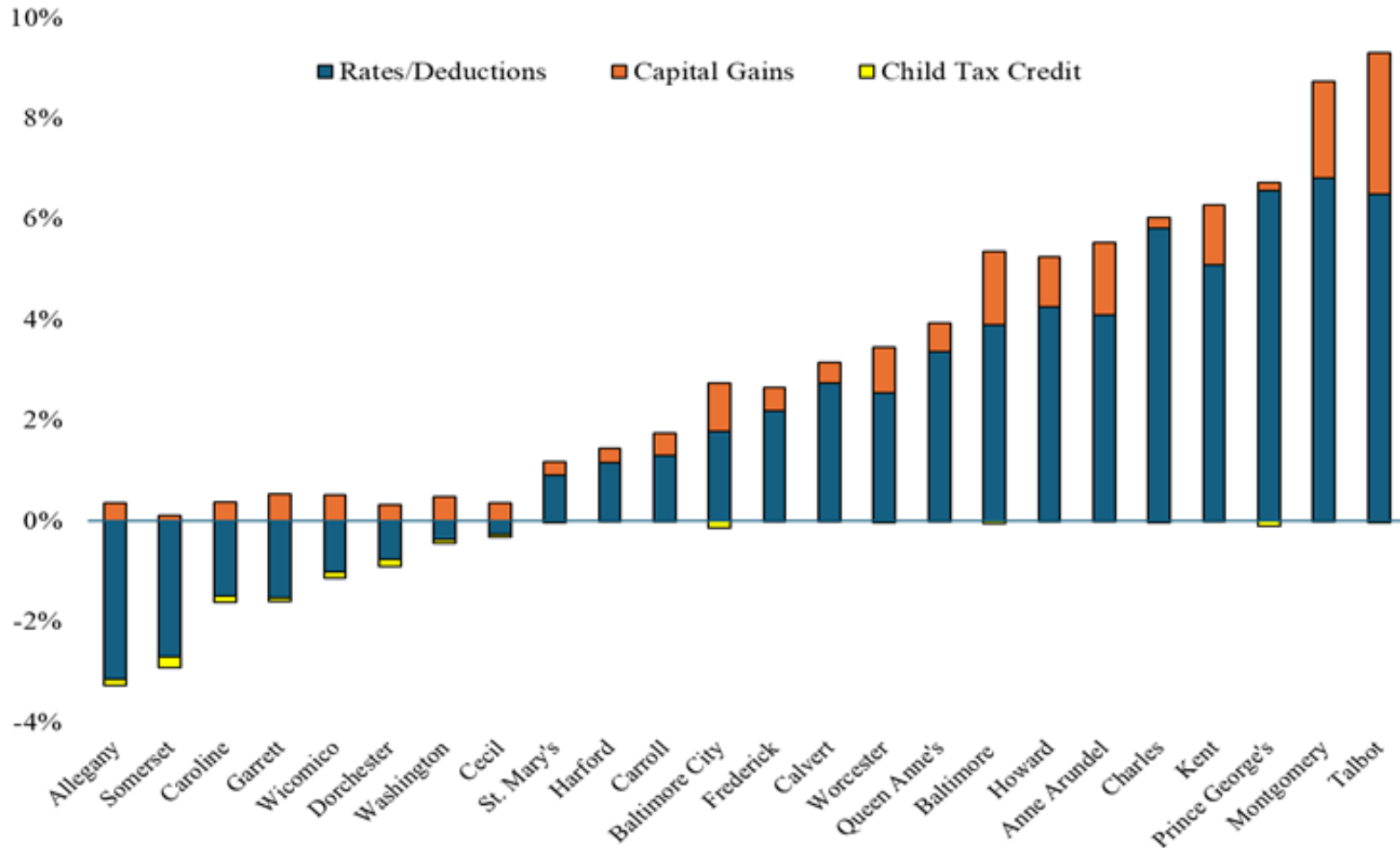
Notes: The percentage change is the net increase or decrease in State income taxes paid by residents in each county.

The increase in Washington and Cecil counties is 0.02%.

These impacts represent the proposed changes in income tax rates, deductions, capital gains surtax, and the child tax credit.

Source: Bureau of Revenue Estimates

Percentage Increase in State Income Taxes by Component and County



Note: Percentage increase is for each component the aggregate change in State income tax liabilities by county.
Source: Bureau of Revenue Estimates

Appendix - County Impacts

The first chart of the Appendix has consolidated information showing the State and local revenue impact for each county following the proposed changes to income tax rates and deductions, capital gains, and the child tax credit. In addition, each county has a separate page that shows by income class how many taxpayers have an increase, a decrease, and no change due to the proposed rate and deduction changes. There is also a table showing the change in State and local income taxes from the proposed changes to income tax rates, deductions, and capital gains. The individual county results exclude the change from the expanded child tax credit.

State and Local Revenue Impact Tax Year 2023 (\$ in Millions)

| County | Change in State Taxes | | | | | Change in Local Taxes |
|-----------------|-----------------------|----------------|------------------|----------------|-------------|-----------------------|
| | Rate/Deductions | Capital Gains | Child Tax Credit | Net | % Change | |
| Allegany | (\$1.7) | \$0.2 | (\$0.1) | (\$1.6) | -2.9% | (\$2.3) |
| Anne Arundel | 51.9 | 18.3 | (0.3) | 69.8 | 5.5% | 14.1 |
| Baltimore City | 10.6 | 5.8 | (0.9) | 15.5 | 2.6% | (7.4) |
| Baltimore | 55.9 | 20.8 | (0.9) | 75.8 | 5.3% | 4.3 |
| Calvert | 4.8 | 0.7 | (0.03) | 5.5 | 3.1% | 1.4 |
| Caroline | (0.5) | 0.1 | (0.04) | (0.4) | -1.3% | (1.1) |
| Carroll | 4.4 | 1.6 | (0.04) | 5.9 | 1.7% | (1.0) |
| Cecil | (0.3) | 0.4 | (0.1) | 0.0 | 0.02% | (2.7) |
| Charles | 14.6 | 0.5 | (0.1) | 15.0 | 6.0% | 6.9 |
| Dorchester | (0.2) | 0.1 | (0.04) | (0.2) | -0.6% | (1.0) |
| Frederick | 12.1 | 2.6 | (0.1) | 14.6 | 2.6% | 2.8 |
| Garrett | (0.5) | 0.2 | (0.02) | (0.4) | -1.1% | (0.9) |
| Harford | 5.3 | 1.3 | (0.1) | 6.5 | 1.4% | (2.7) |
| Howard | 38.1 | 8.9 | (0.2) | 46.8 | 5.2% | 12.1 |
| Kent | 1.4 | 0.3 | (0.01) | 1.7 | 6.2% | 0.1 |
| Montgomery | 199.3 | 56.1 | (1.0) | 254.4 | 8.7% | 55.5 |
| Prince George's | 71.9 | 1.7 | (1.3) | 72.3 | 6.6% | 33.1 |
| Queen Anne's | 3.9 | 0.7 | (0.02) | 4.5 | 3.9% | 0.5 |
| St. Mary's | 1.7 | 0.5 | (0.1) | 2.2 | 1.1% | (1.0) |
| Somerset | (0.4) | 0.0 | (0.03) | (0.4) | -2.8% | (0.7) |
| Talbot | 5.6 | 2.4 | (0.03) | 7.9 | 9.3% | 0.8 |
| Washington | (0.7) | 0.8 | (0.1) | 0.0 | 0.02% | (3.8) |
| Wicomico | (1.0) | 0.5 | (0.1) | (0.6) | -0.6% | (3.5) |
| Worcester | 2.2 | 0.8 | (0.04) | 2.9 | 3.4% | (0.6) |
| Total | \$478.3 | \$125.3 | (\$5.7) | \$597.9 | 5.4% | \$102.9 |

Source: Bureau of Revenue Estimates

Allegany County

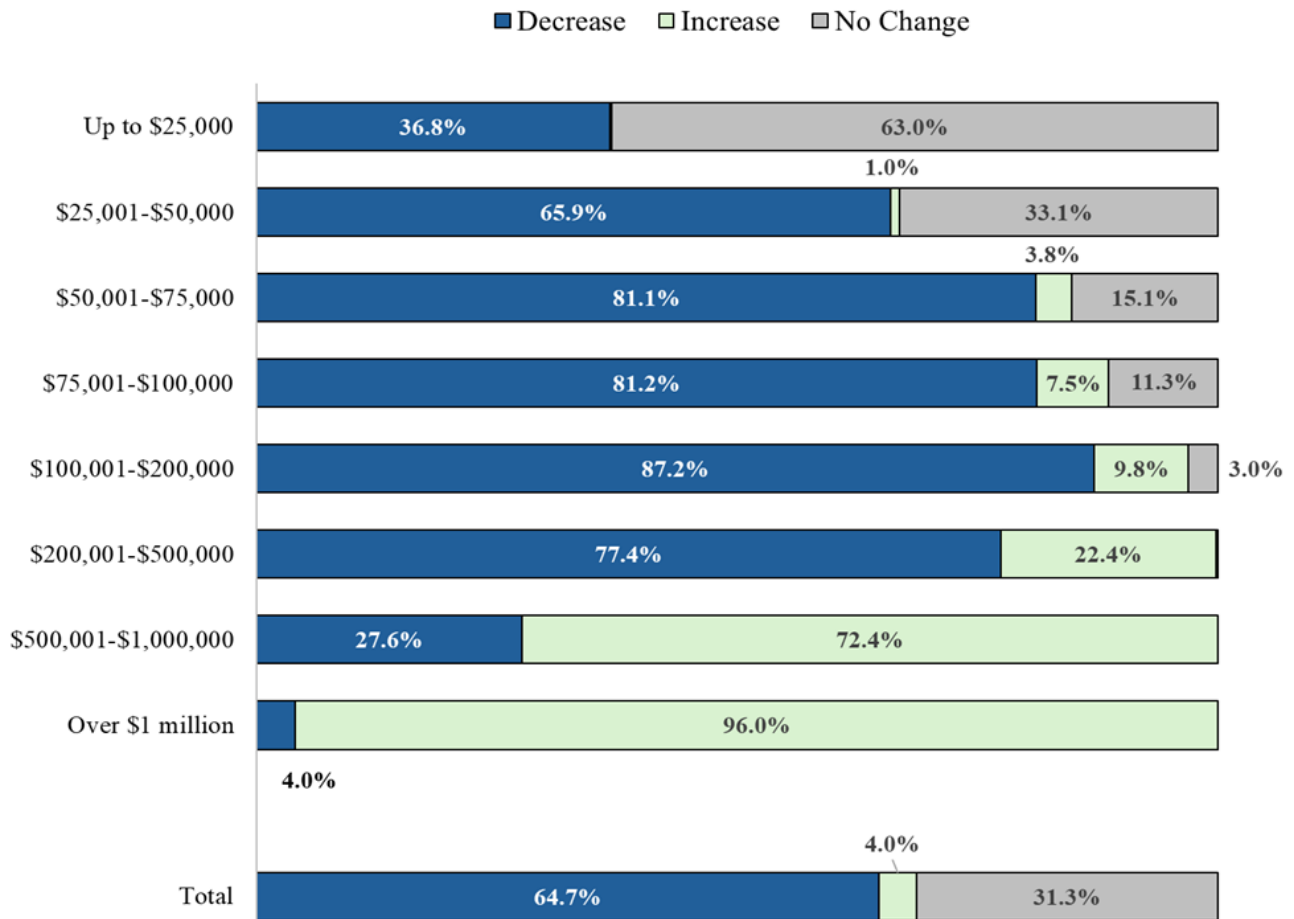
Tax Year 2023 Impact \$ in Millions

| | | % Change | Rank |
|--------------------|----------------|--------------|-----------|
| Rates/Itemization | (\$1.7) | -3.2% | 24 |
| Capital Gains | \$0.2 | 0.3% | 17 |
| Total State | (\$1.5) | -2.8% | 24 |

Local (\$2.3)

State and Local Total (\$3.9)

Change in State Tax Liability by FAGI



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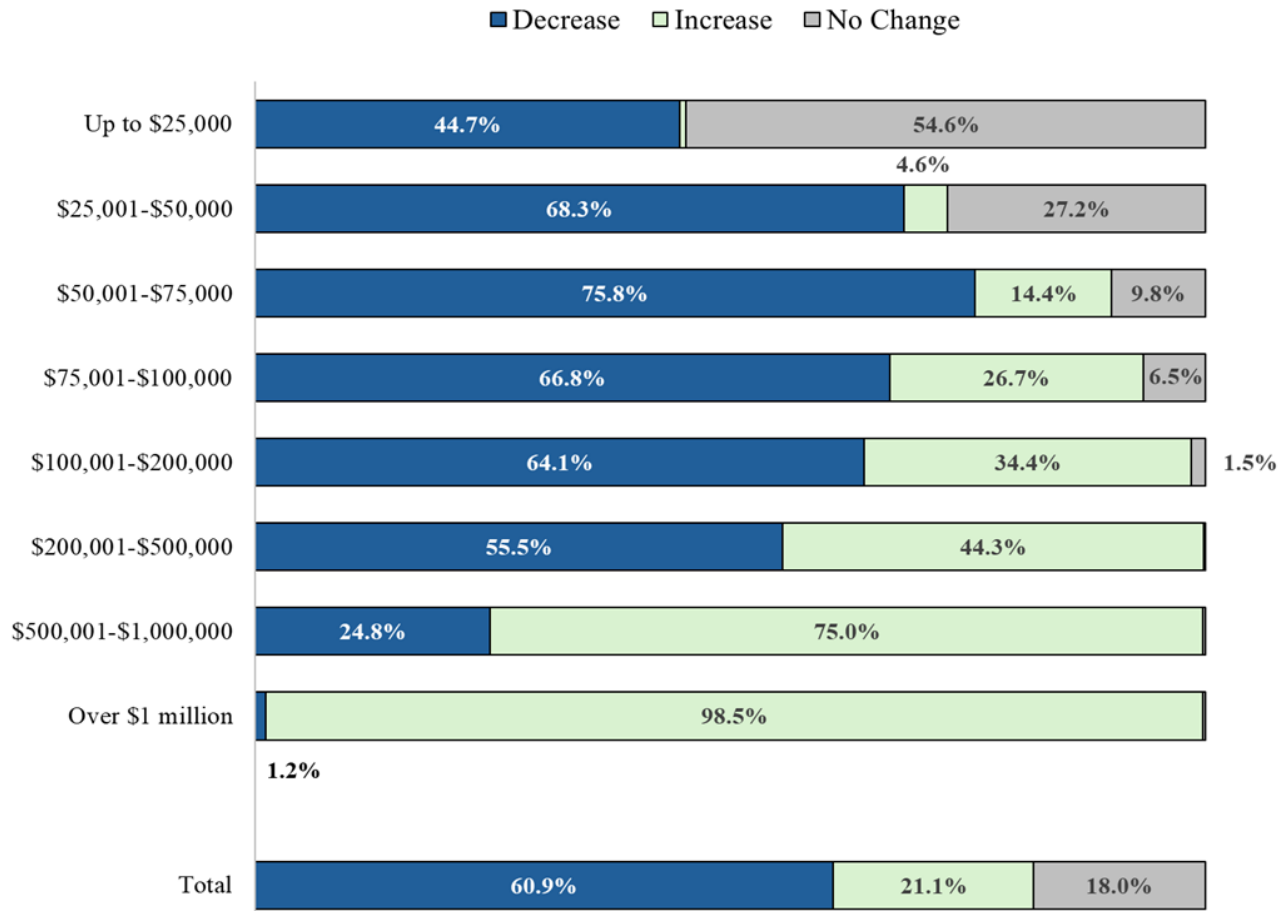
Vcz' [gct '4245' kō r cev &lp' O kōkpu'

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|-------------------|------------------|-------------|-----------|
| TcvgulF gf wevkpu | &730 | 608' | '9 |
| Ecr kcn'I cku | &3: 05 | 306' | '6 |
| VqvcnUævg | &9204 | 707' | '8 |

Nqecn **&3608**

Uævg' bpf 'NqecnVqvcn **& 605**

Ej cpi g'lp' Uævg' Vcz' Nkdkw' 'd{ 'HCI K'



Baltimore City

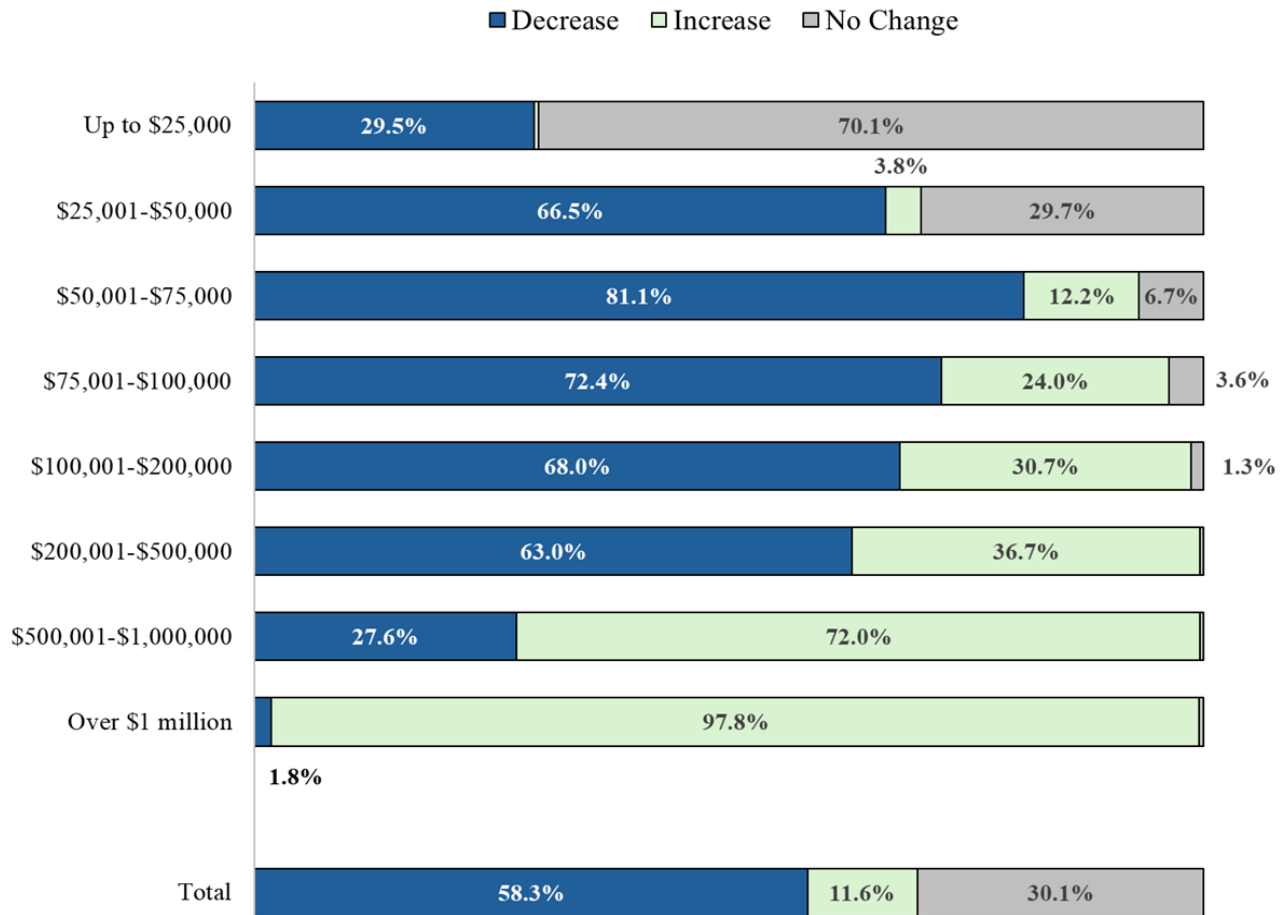
Tax Year 2023 Impact \$ in Millions

| | | % Change | Rank |
|--------------------|---------------|-------------|-----------|
| Rates/Deductions | \$10.6 | 1.8% | 13 |
| Capital Gains | \$5.8 | 1.0% | 7 |
| Total State | \$16.4 | 2.7% | 12 |

Local **(\$7.4)**

State and Local Total **\$9.1**

Change in State Tax Liability by FAGI



Baltimore County

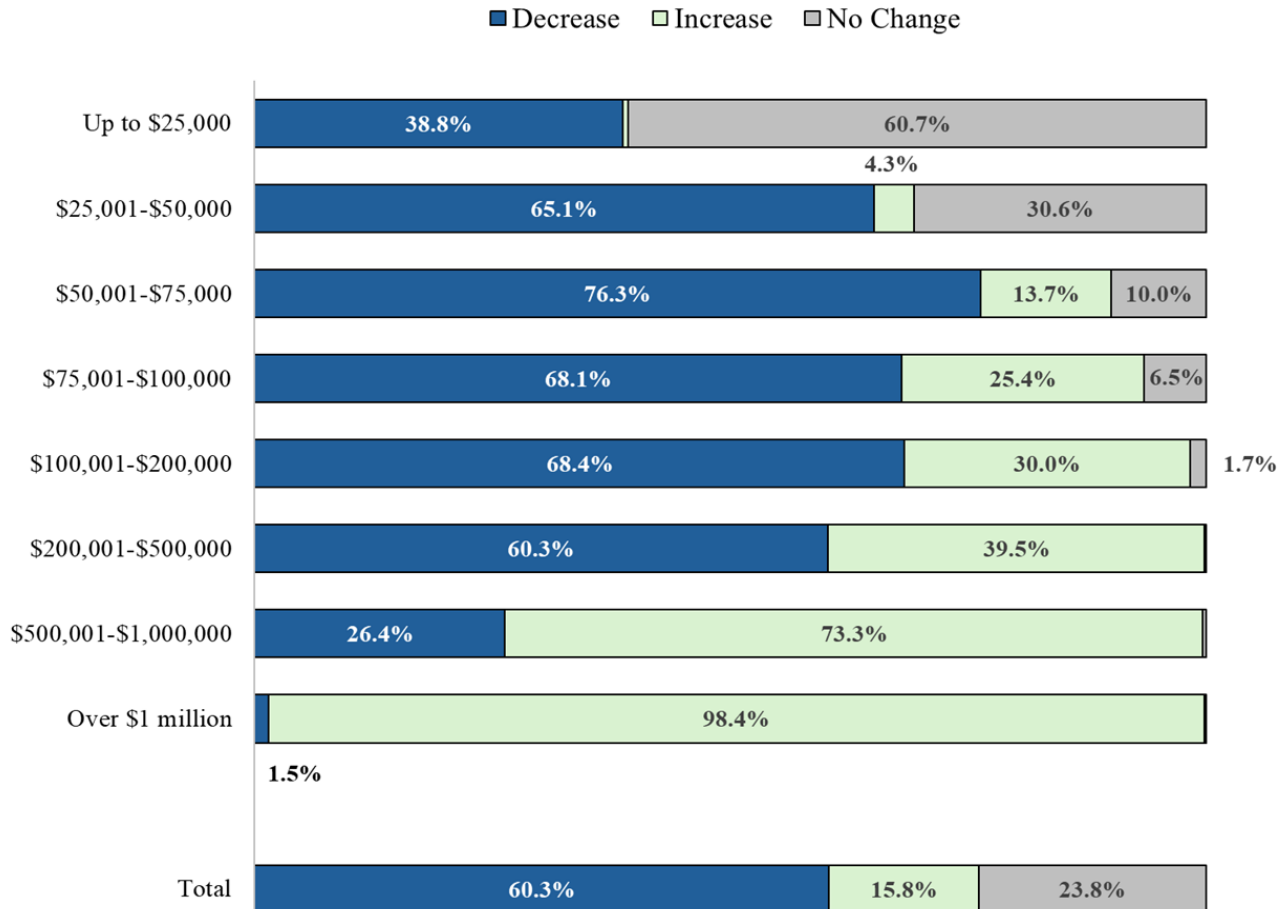
Tax Year 2023 Impact \$ in Millions

| | | % Change | Rank |
|--------------------|---------------|-------------|----------|
| Rates/Deductions | \$55.9 | 3.9% | 8 |
| Capital Gains | \$20.8 | 1.4% | 3 |
| Total State | \$76.7 | 5.3% | 7 |

Local \$4.3

State and Local Total \$81.0

Change in State Tax Liability by FAGI



Calvert County

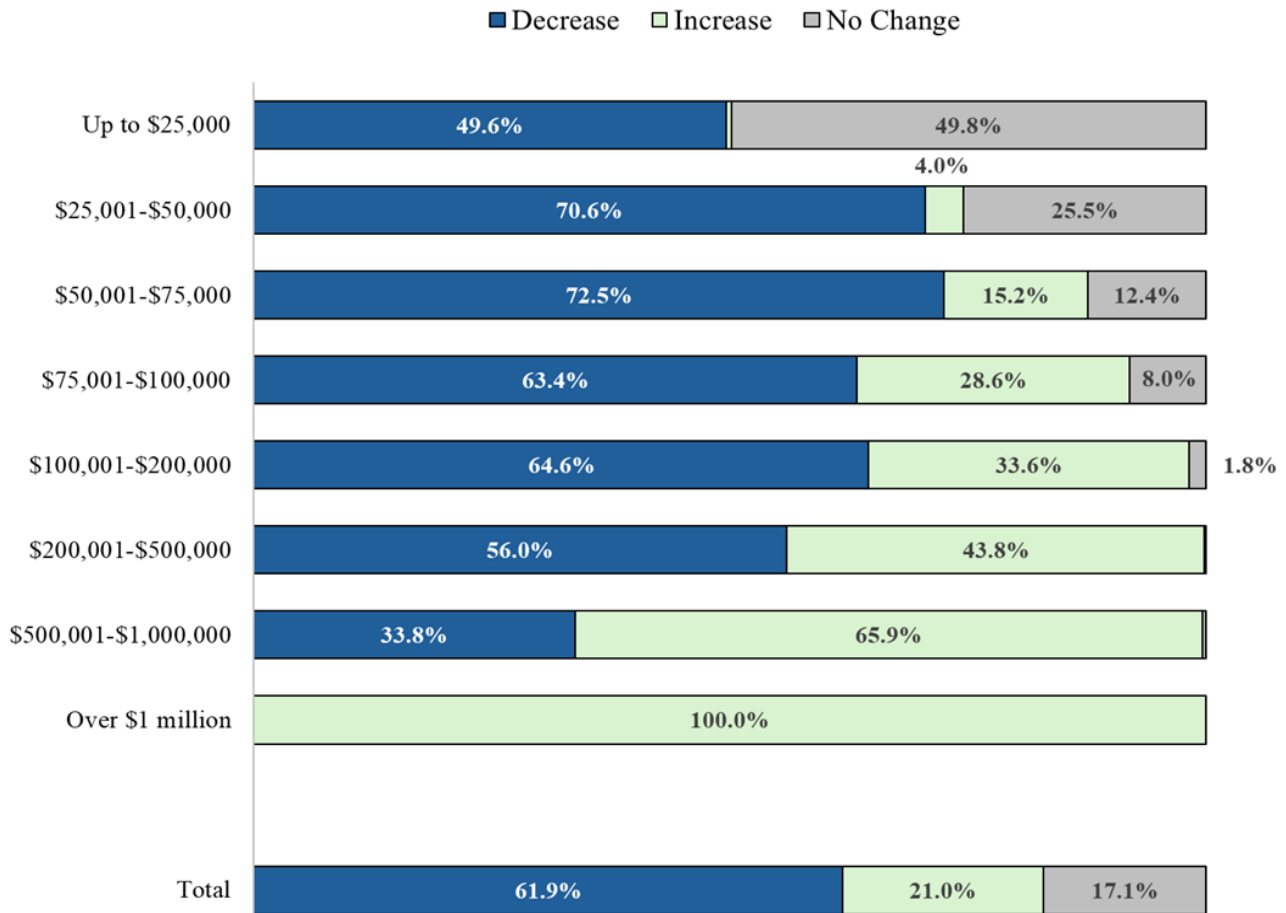
Tax Year 2023 Impact \$ in Millions

| | | % Change | Rank |
|--------------------|--------------|-------------|-----------|
| Rates/Deductions | \$4.8 | 2.7% | 10 |
| Capital Gains | \$0.7 | 0.4% | 15 |
| Total State | \$5.5 | 3.1% | 11 |

Local **\$1.4**

State and Local Total **\$6.9**

Change in State Tax Liability by FAGI



Caroline County

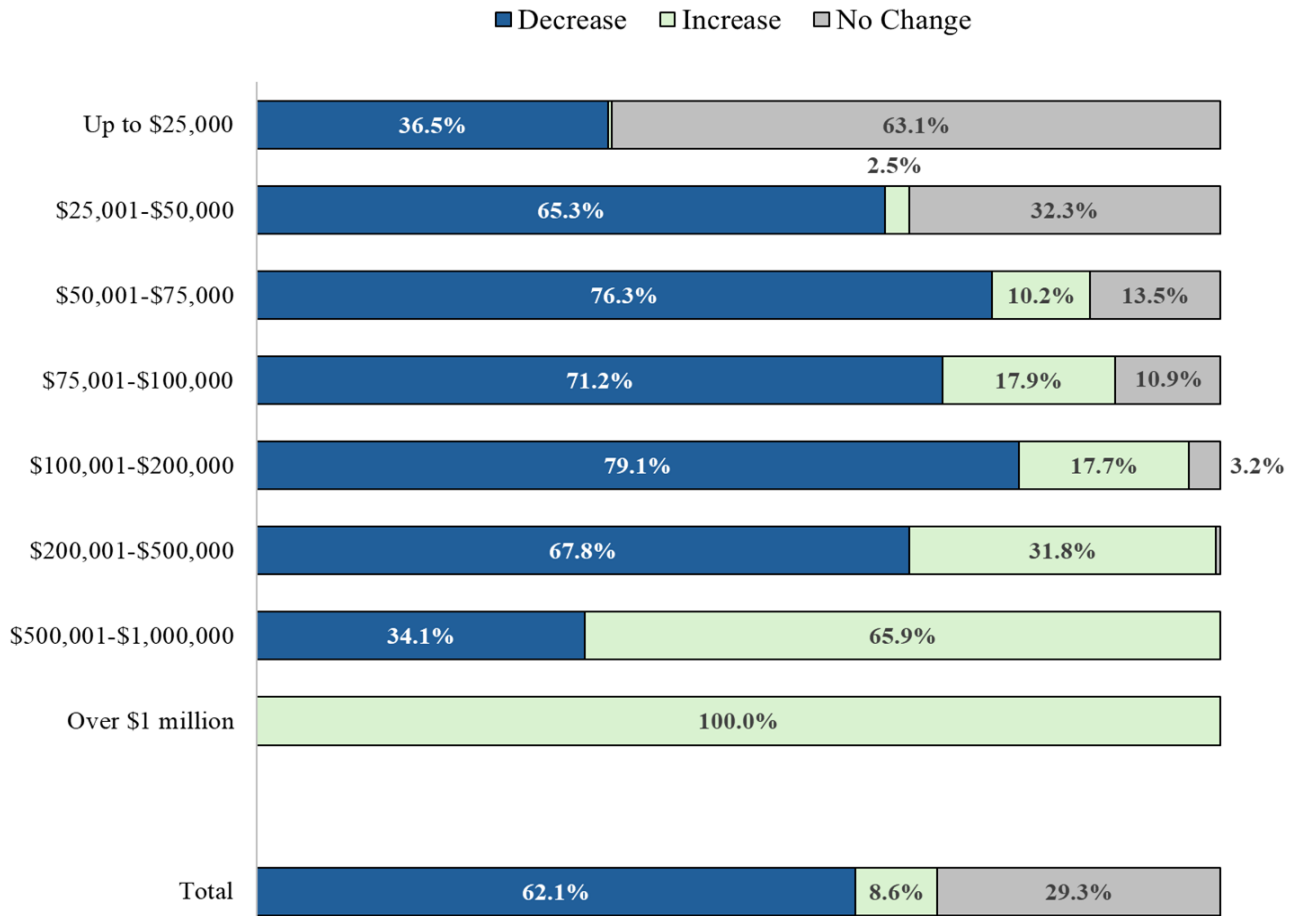
Tax Year 2023 Impact \$ in Millions

| | | % Change | Rank |
|--------------------|----------------|--------------|-----------|
| Rates/Deductions | (\$0.5) | -1.5% | 21 |
| Capital Gains | \$0.1 | 0.4% | 16 |
| Total State | (\$0.4) | -1.1% | 22 |

Local (\$1.1)

State and Local Total (\$1.4)

Change in State Tax Liability by FAGI



Carroll County

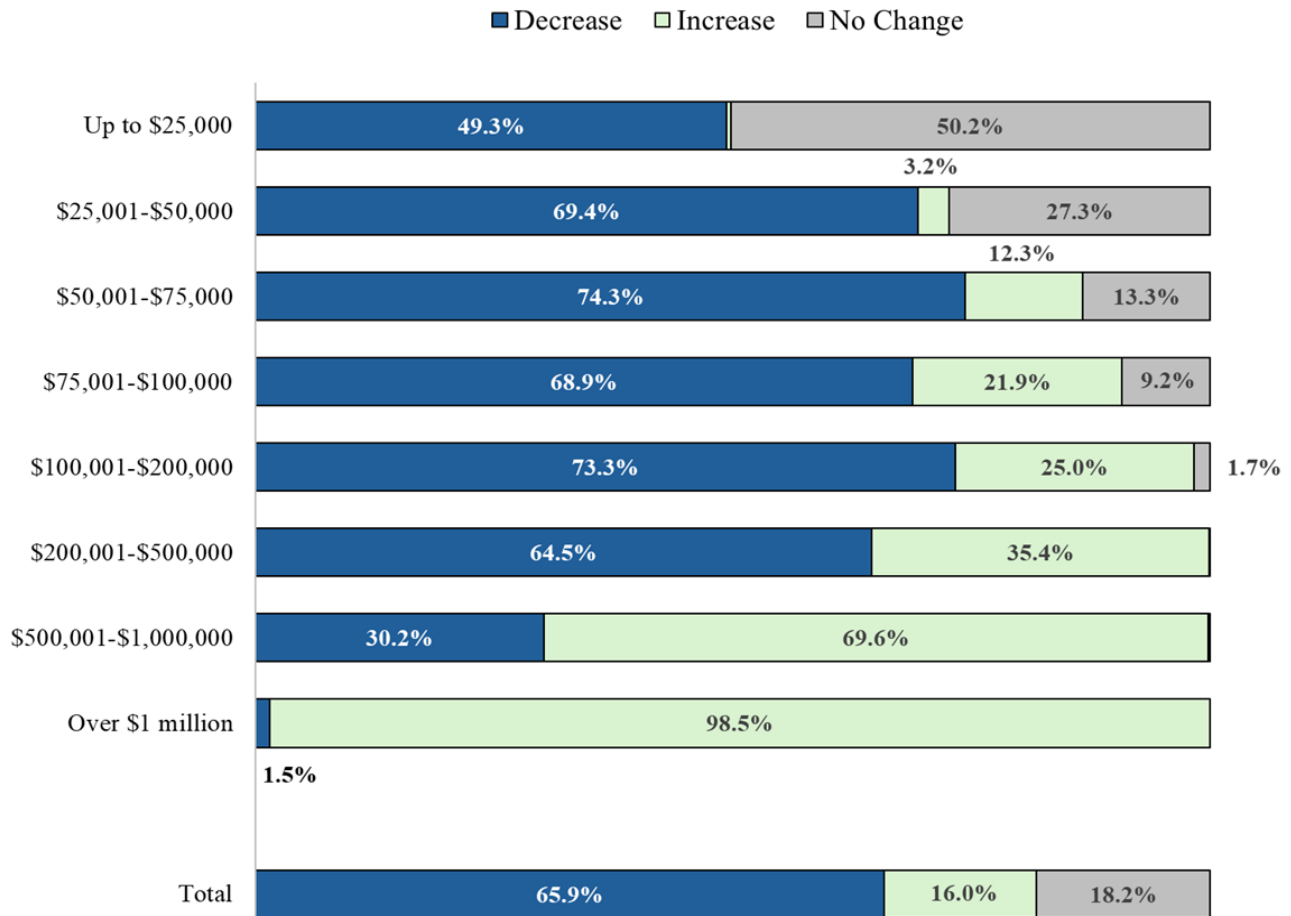
Tax Year 2023 Impact \$ in Millions

| | | % Change | Rank |
|--------------------|--------------|-------------|-----------|
| Rates/Deductions | \$4.4 | 1.3% | 14 |
| Capital Gains | \$1.6 | 0.5% | 14 |
| Total State | \$5.9 | 1.7% | 14 |

Local **(\$1.0)**

State and Local Total **\$4.9**

Change in State Tax Liability by FAGI



Cecil County

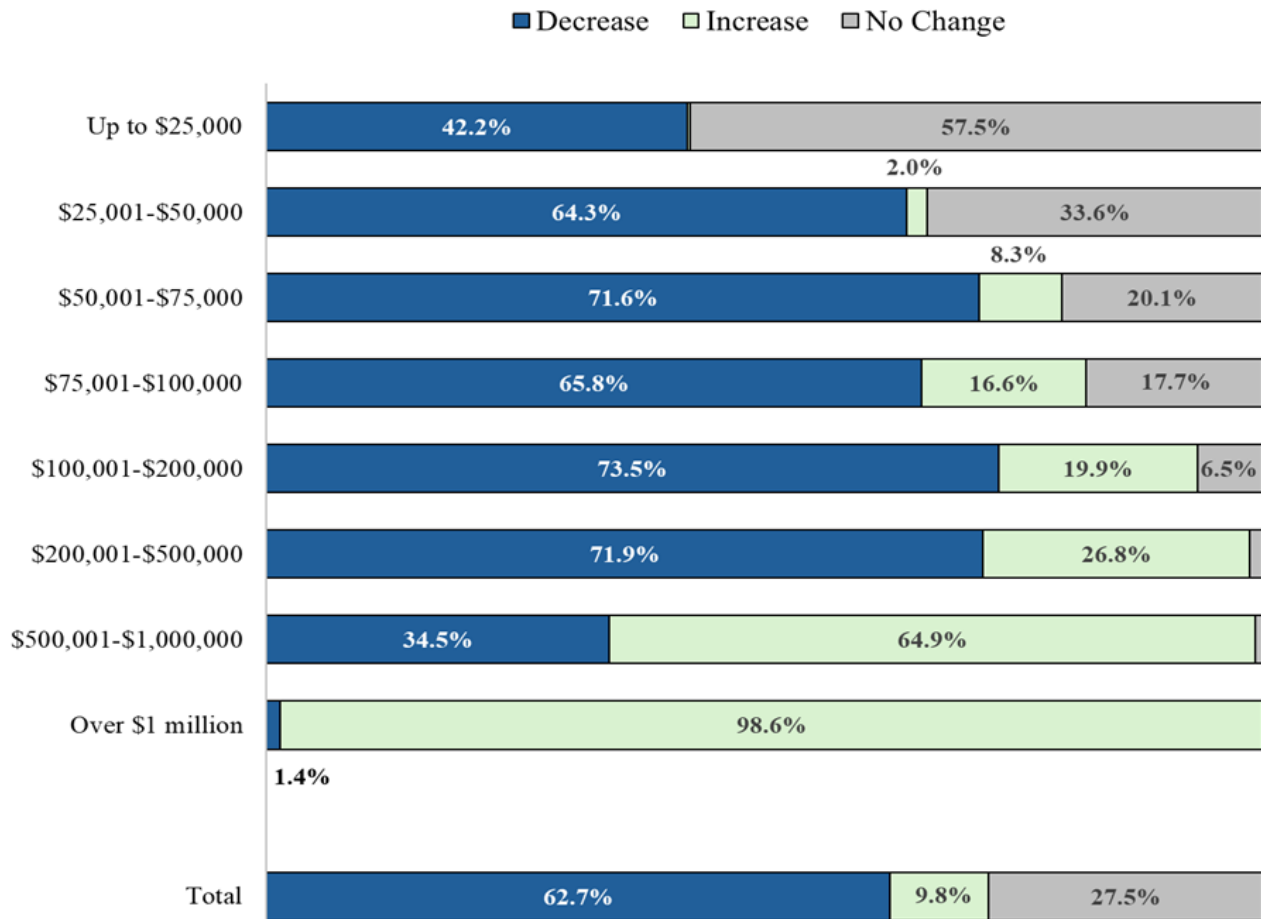
Tax Year 2023 Impact \$ in Millions

| | | % Change | Rank |
|--------------------|--------------|-------------|-----------|
| Rates/Deductions | (\$0.3) | -0.3% | 17 |
| Capital Gains | \$0.4 | 0.3% | 18 |
| Total State | \$0.1 | 0.1% | 18 |

Local (\$2.7)

State and Local Total (\$2.6)

Change in State Tax Liability by FAGI



Charles County

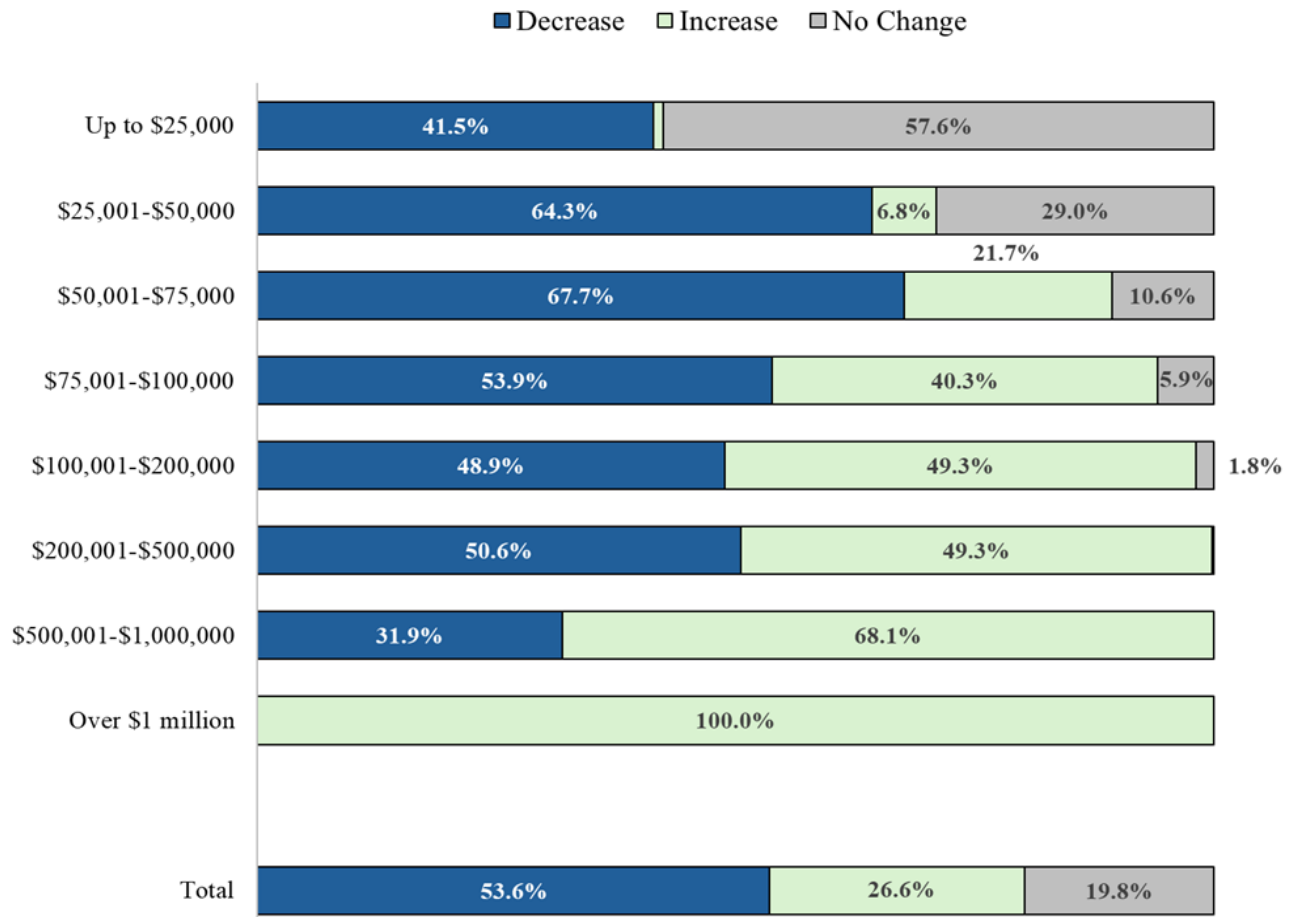
Tax Year 2023 Impact \$ in Millions

| | | % Change | Rank |
|--------------------|---------------|-------------|----------|
| Rates/Deductions | \$14.6 | 5.8% | 4 |
| Capital Gains | \$0.5 | 0.2% | 22 |
| Total State | \$15.1 | 6.0% | 5 |

Local \$6.9

State and Local Total \$22.0

Change in State Tax Liability by FAGI



Dorchester County

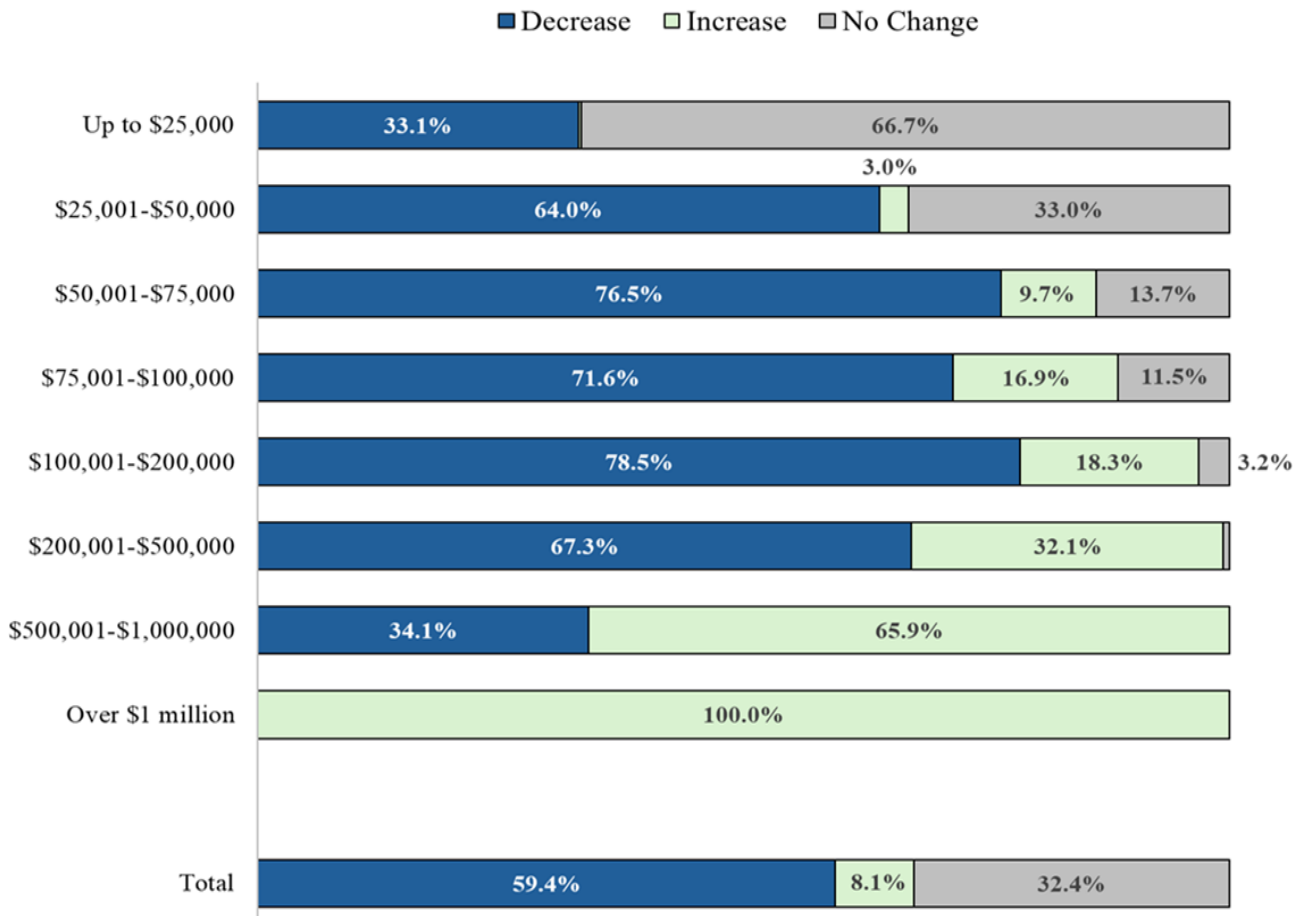
Tax Year 2023 Impact \$ in Millions

| | | % Change | Rank |
|--------------------|----------------|--------------|-----------|
| Rates/Deductions | (\$0.2) | -0.8% | 19 |
| Capital Gains | \$0.1 | 0.3% | 19 |
| Total State | (\$0.1) | -0.5% | 19 |

Local (\$1.0)

State and Local Total (\$1.0)

Change in State Tax Liability by FAGI



Frederick County

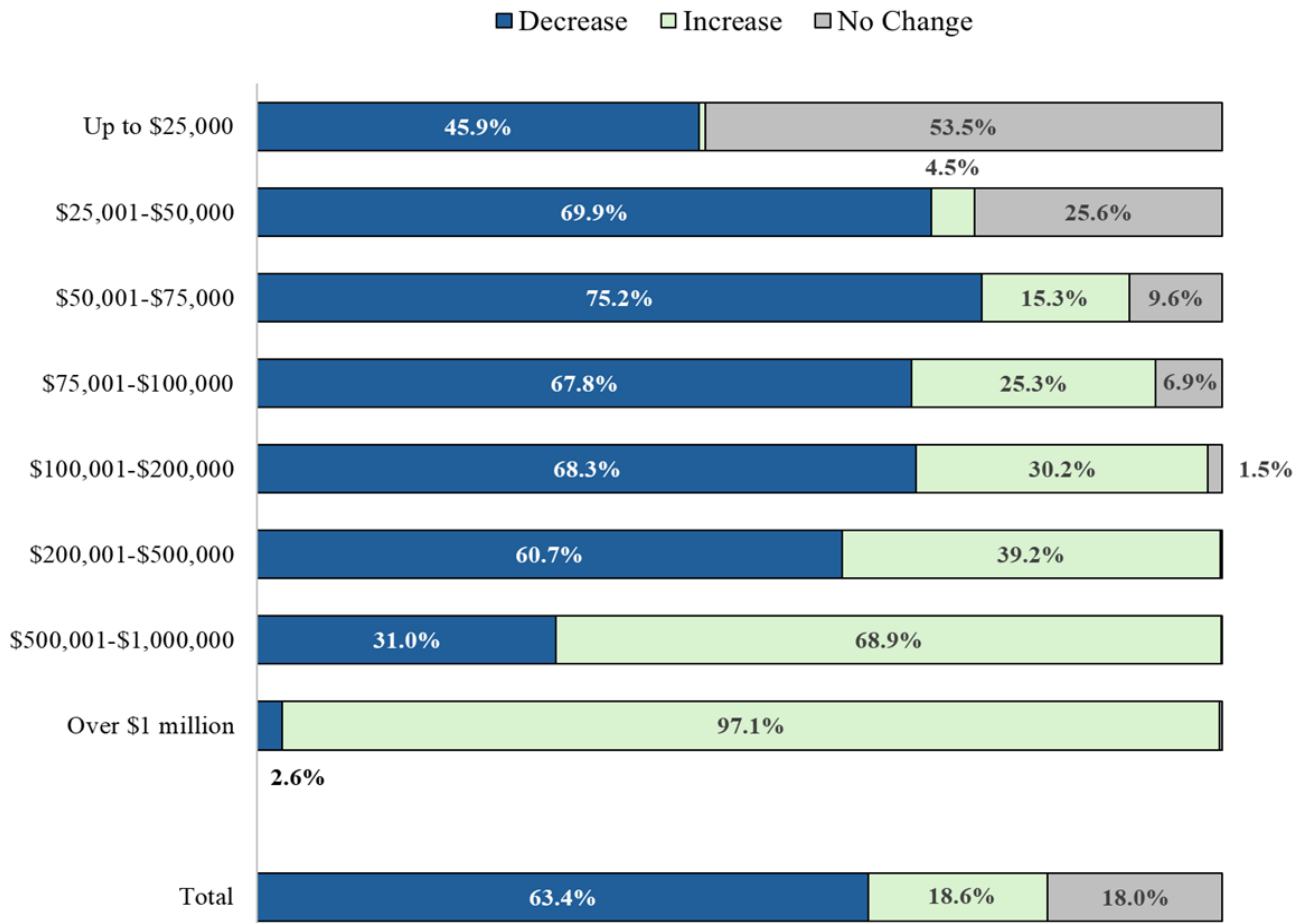
Tax Year 2023 Impact \$ in Millions

| | | % Change | Rank |
|--------------------|---------------|-------------|-----------|
| Rates/Deductions | \$12.1 | 2.2% | 12 |
| Capital Gains | \$2.6 | 0.5% | 13 |
| Total State | \$14.7 | 2.7% | 13 |

Local **\$2.8**

State and Local Total **\$17.5**

Change in State Tax Liability by FAGI



Garrett County

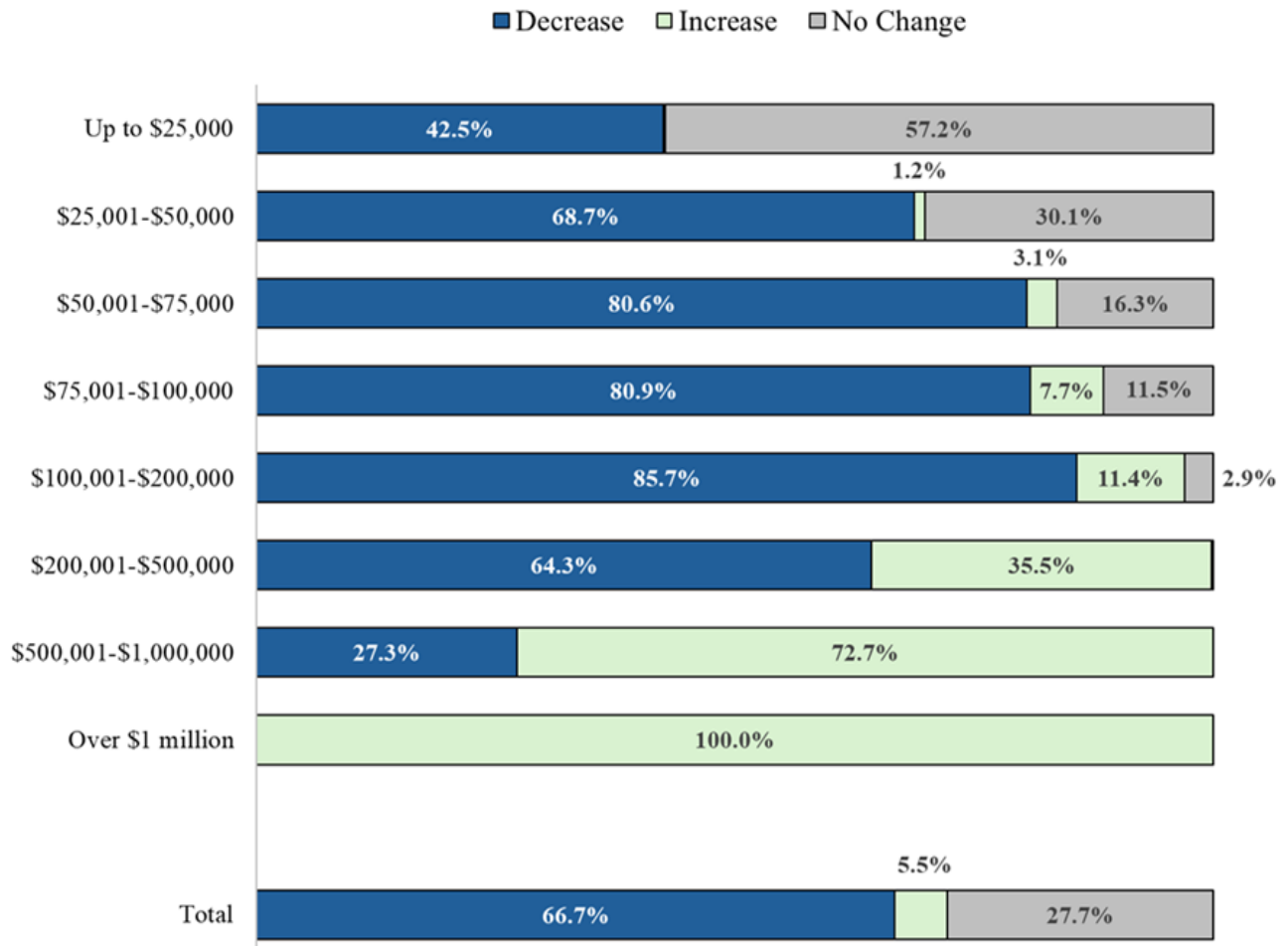
Tax Year 2023 Impact \$ in Millions

| | | % Change | Rank |
|--------------------|----------------|--------------|-----------|
| Rates/Deductions | (\$0.5) | -1.5% | 22 |
| Capital Gains | \$0.2 | 0.5% | 10 |
| Total State | (\$0.3) | -1.0% | 21 |

Local (\$0.9)

State and Local Total (\$1.2)

Change in State Tax Liability by FAGI



Harford County

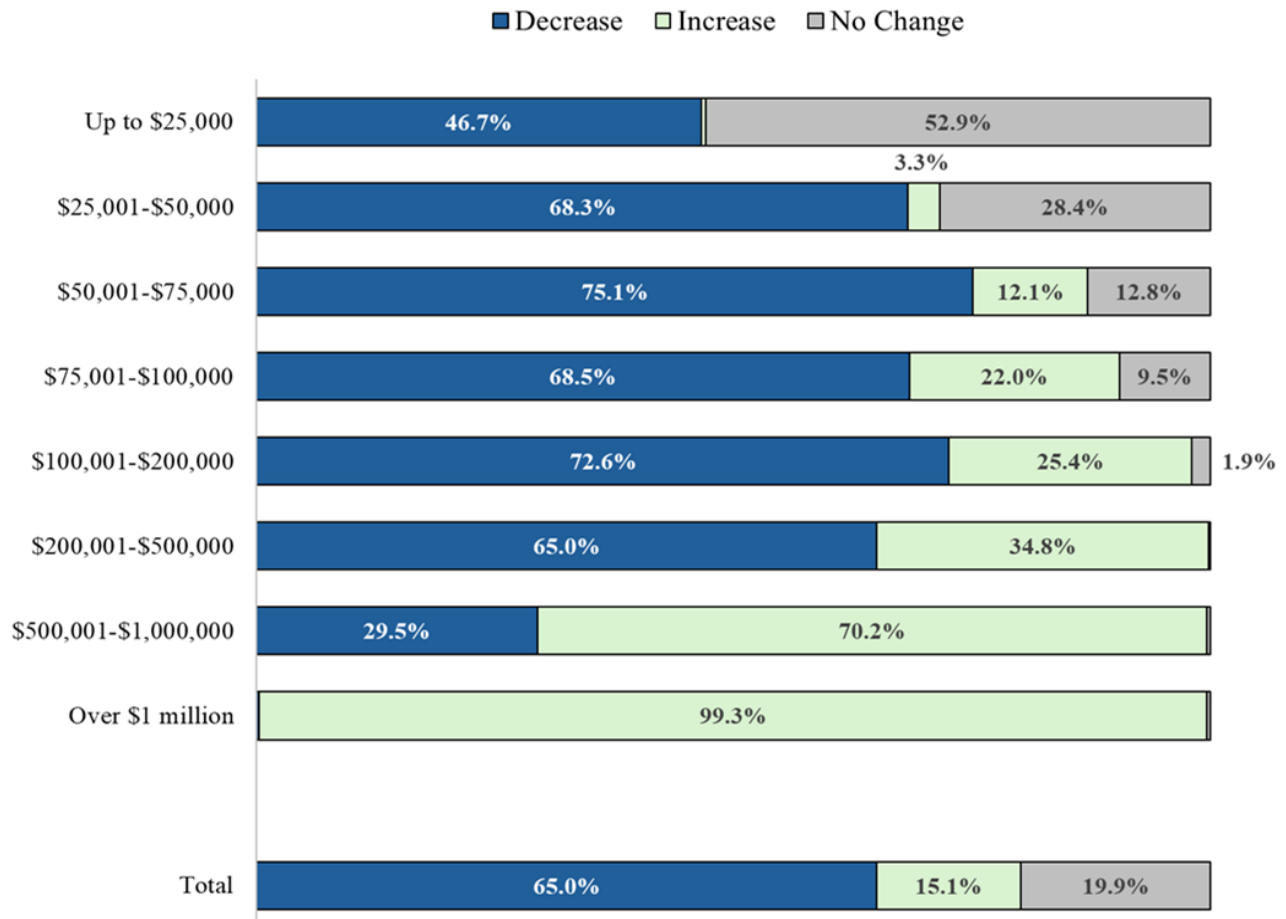
Tax Year 2023 Impact \$ in Millions

| | | % Change | Rank |
|--------------------|--------------|-------------|-----------|
| Rates/Deductions | \$5.3 | 1.1% | 15 |
| Capital Gains | \$1.3 | 0.3% | 21 |
| Total State | \$6.6 | 1.4% | 15 |

Local (\$2.7)

State and Local Total **\$3.9**

Change in State Tax Liability by FAGI



Howard County

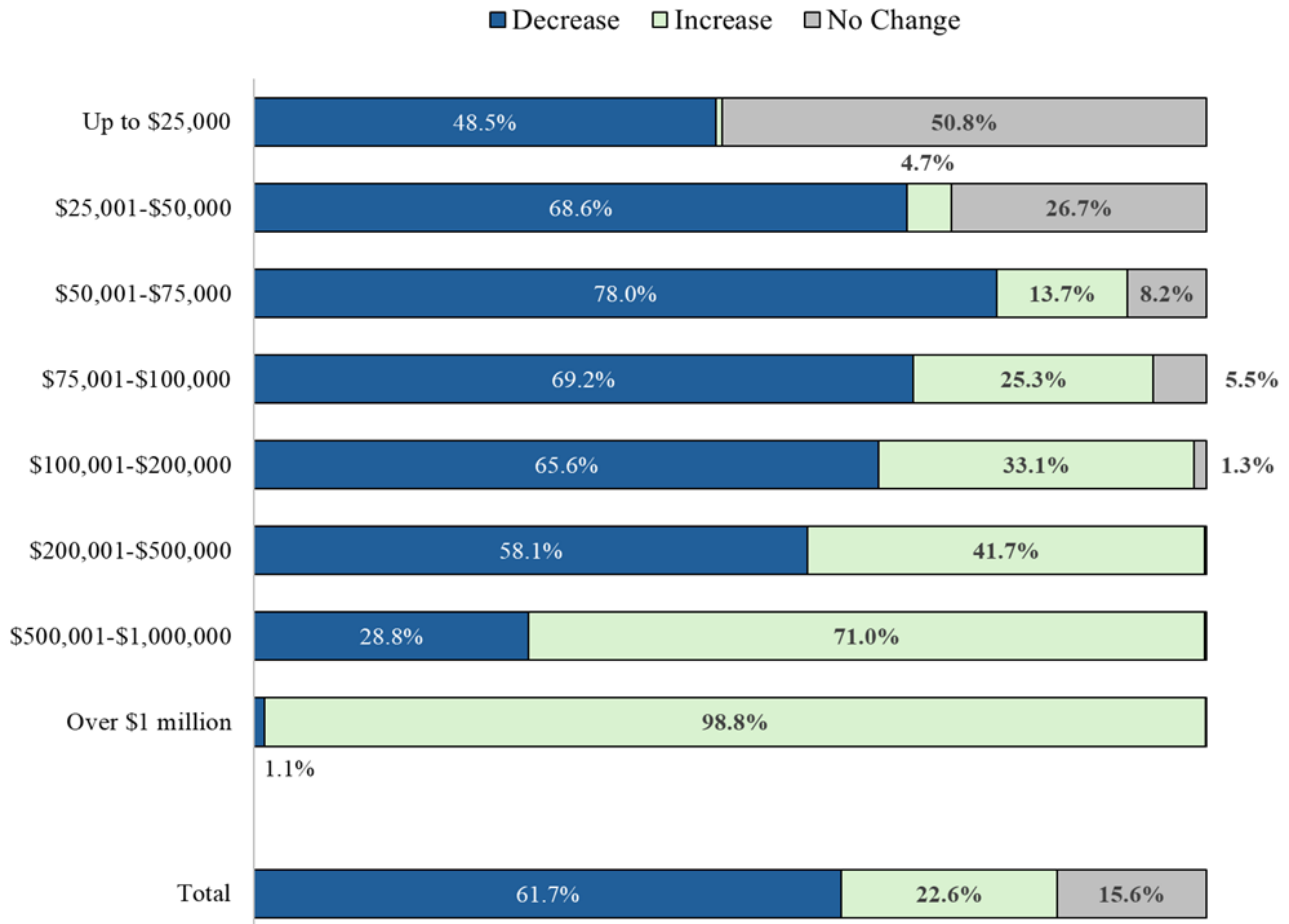
Tax Year 2023 Impact \$ in Millions

| | | % Change | Rank |
|--------------------|---------------|-------------|----------|
| Rates/Deductions | \$38.1 | 4.2% | 6 |
| Capital Gains | \$8.9 | 1.0% | 6 |
| Total State | \$47.0 | 5.2% | 8 |

Local \$12.1

State and Local Total \$59.1

Change in State Tax Liability by FAGI



Kent County

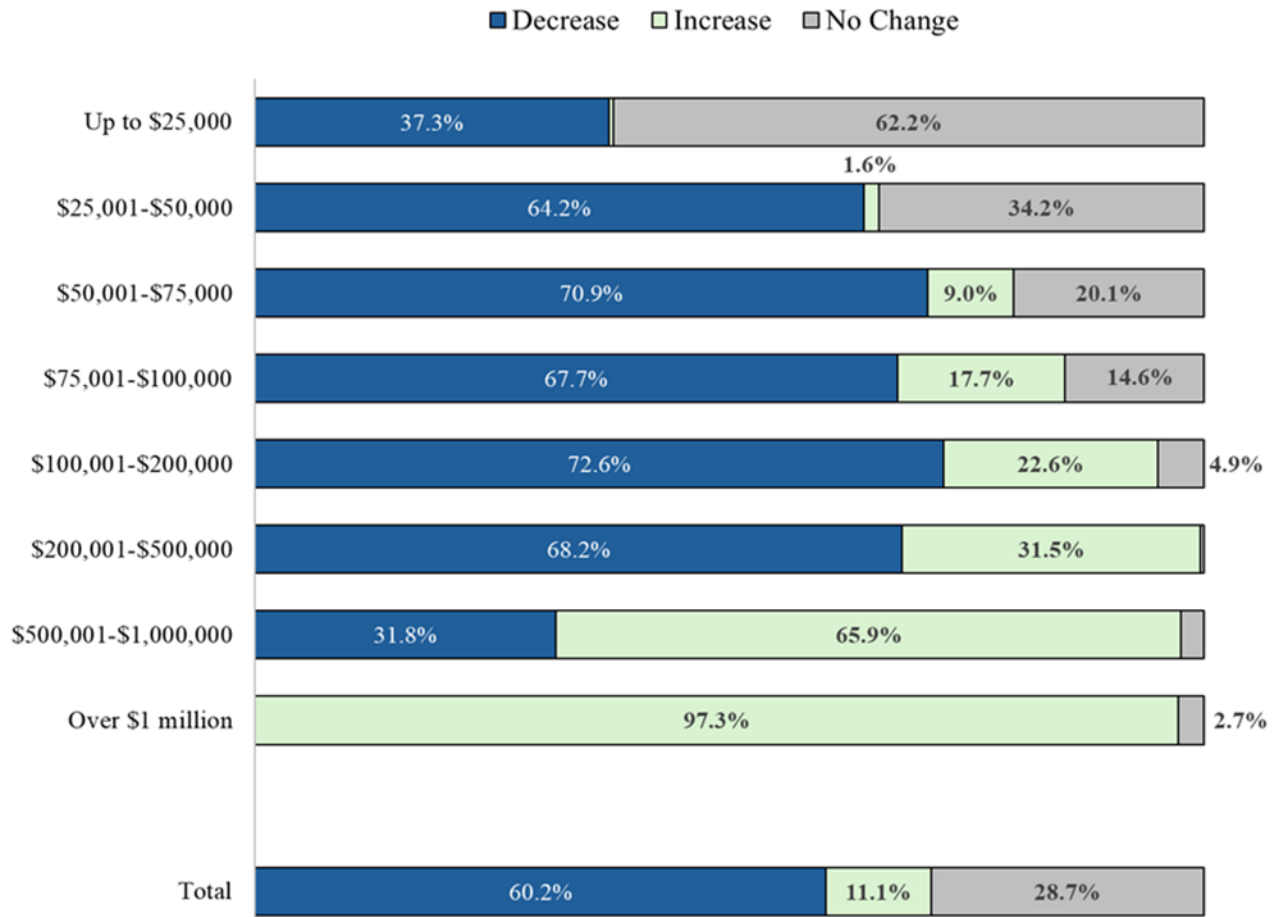
Tax Year 2023 Impact \$ in Millions

| | | % Change | Rank |
|--------------------|--------------|-------------|----------|
| Rates/Deductions | \$1.4 | 5.1% | 5 |
| Capital Gains | \$0.3 | 1.2% | 5 |
| Total State | \$1.7 | 6.3% | 4 |

Local **\$0.1**

State and Local Total **\$1.8**

Change in State Tax Liability by FAGI



Montgomery County

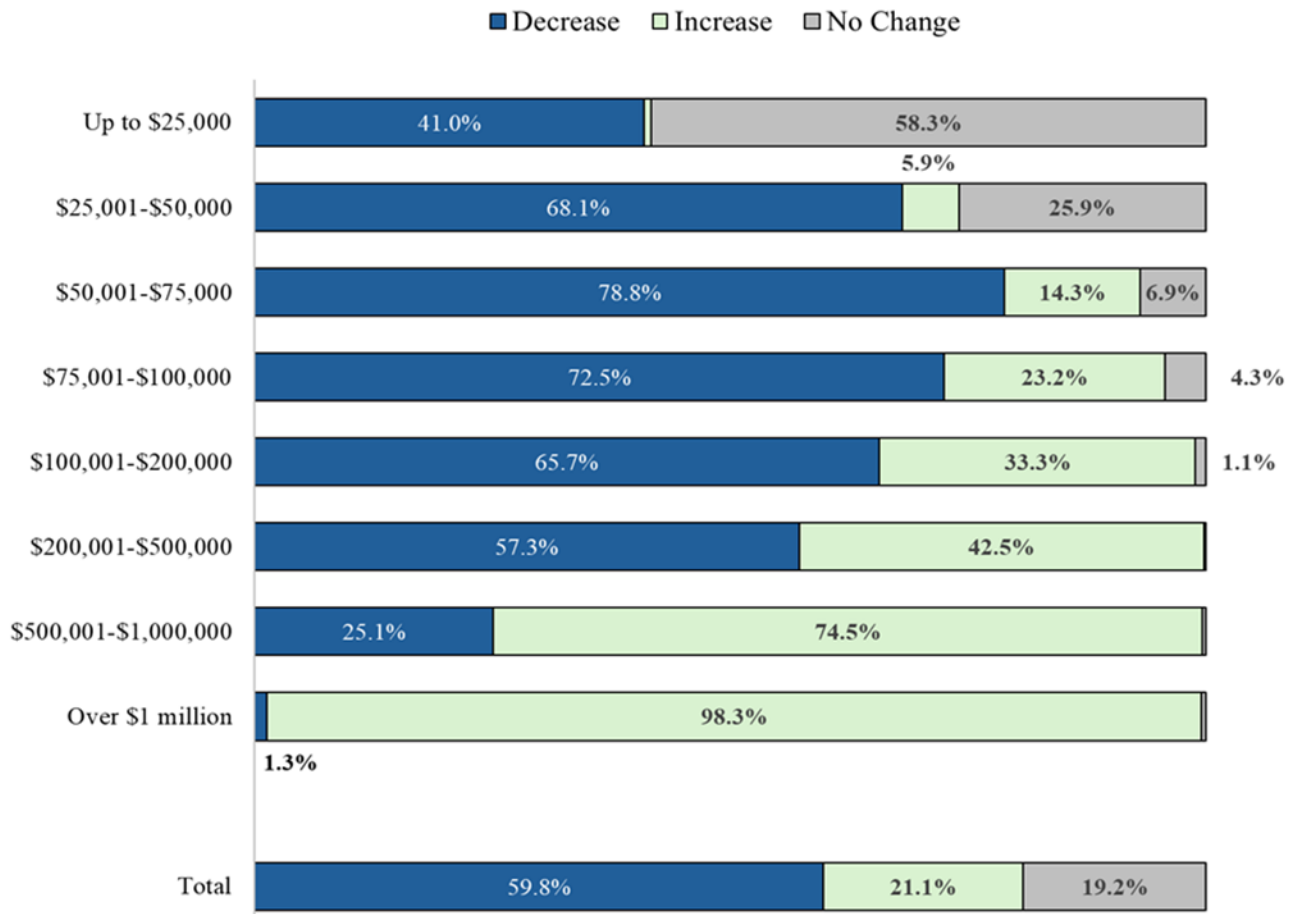
Tax Year 2023 Impact \$ in Millions

| | | % Change | Rank |
|--------------------|----------------|-------------|----------|
| Rates/Deductions | \$199.3 | 6.8% | 1 |
| Capital Gains | \$56.1 | 1.9% | 2 |
| Total State | \$255.3 | 8.7% | 2 |

Local **\$55.5**

State and Local Total **\$310.8**

Change in State Tax Liability by FAGI



Prince George's County

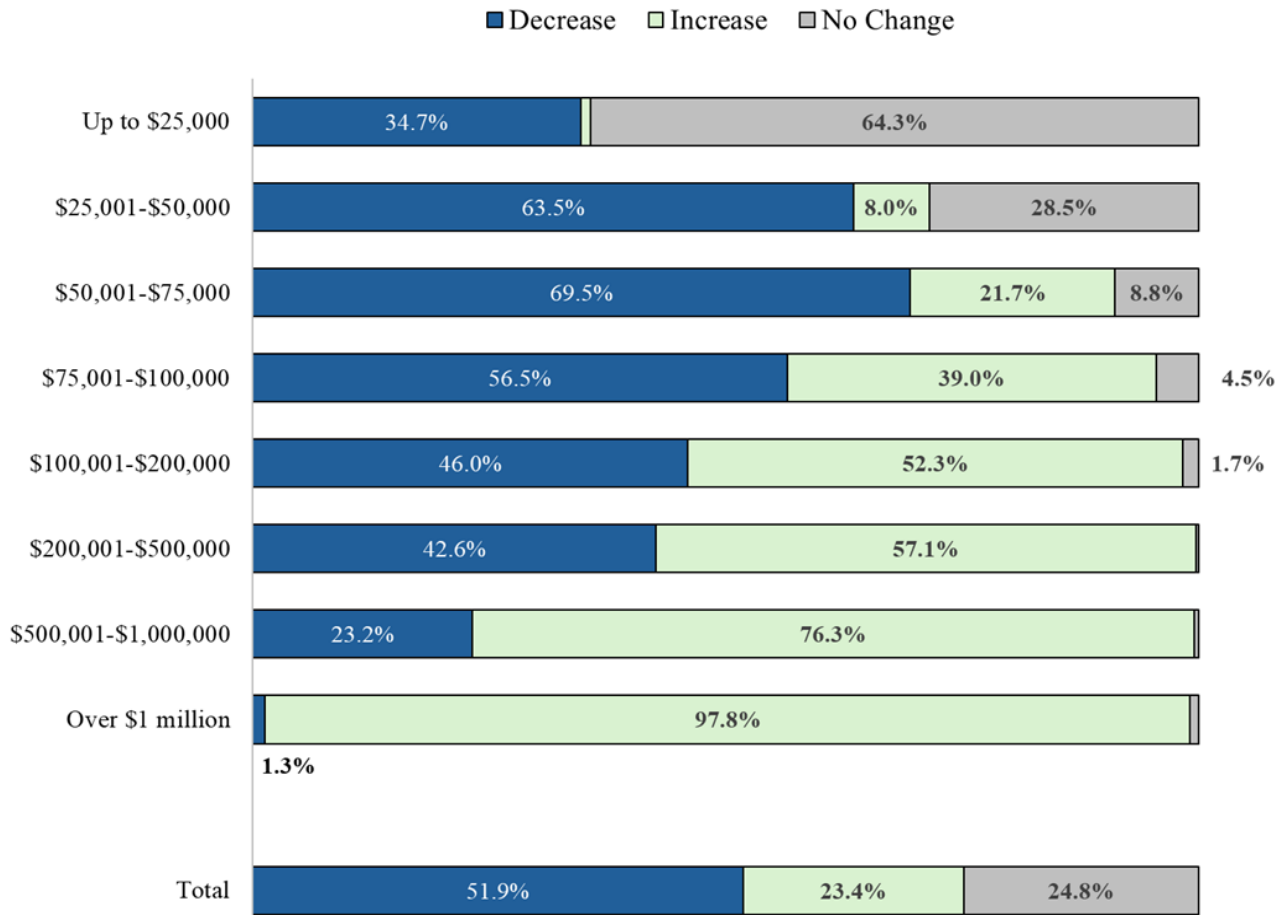
Tax Year 2023 Impact \$ in Millions

| | | % Change | Rank |
|--------------------|---------------|-------------|----------|
| Rates/Deductions | \$71.9 | 6.6% | 2 |
| Capital Gains | \$1.7 | 0.2% | 23 |
| Total State | \$73.6 | 6.7% | 3 |

Local **\$33.1**

State and Local Total **\$106.7**

Change in State Tax Liability by FAGI



Queen Anne's County

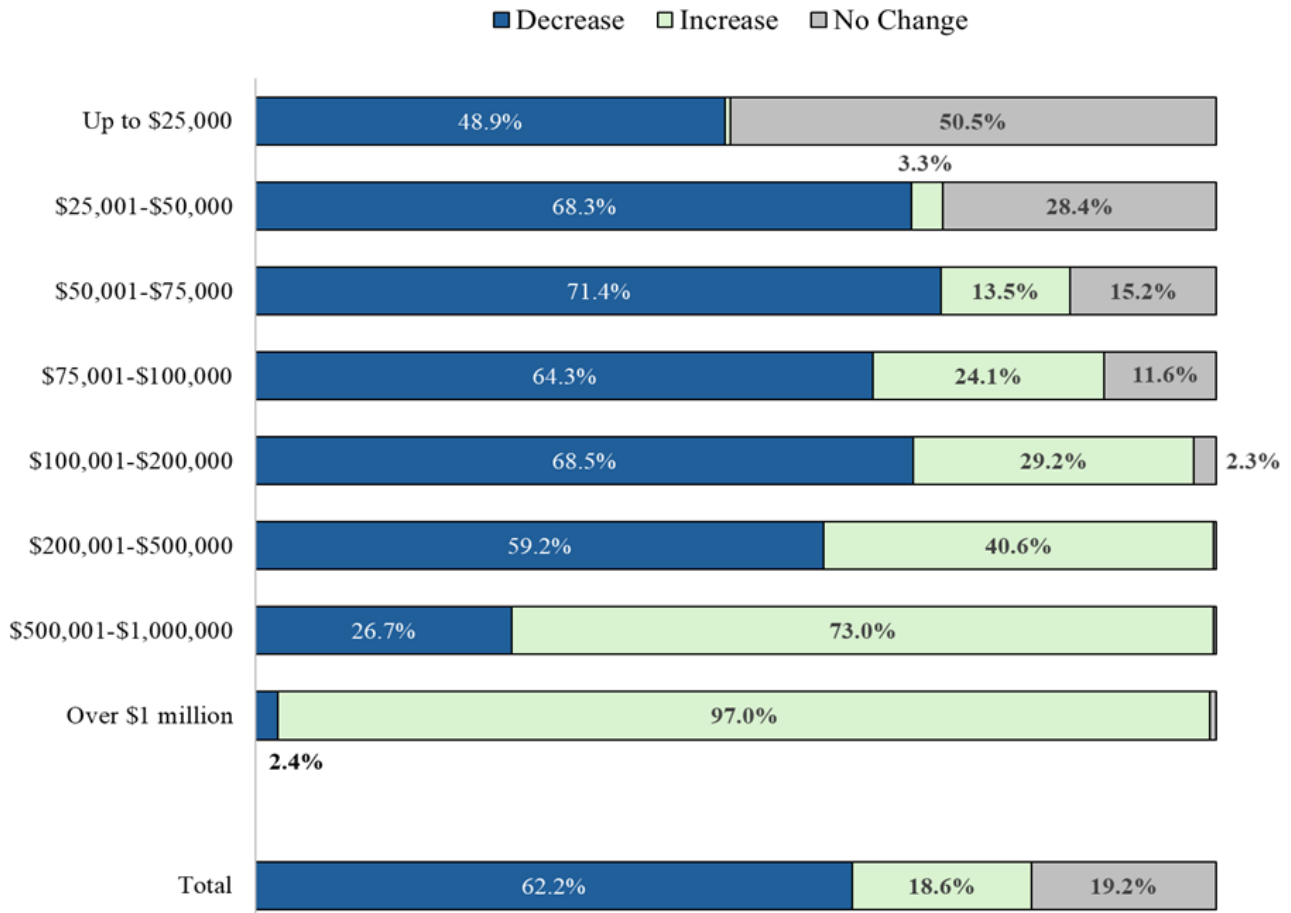
Tax Year 2023 Impact \$ in Millions

| | | % Change | Rank |
|--------------------|--------------|-------------|----------|
| Rates/Deductions | \$3.9 | 3.3% | 9 |
| Capital Gains | \$0.7 | 0.6% | 9 |
| Total State | \$4.5 | 3.9% | 9 |

Local **\$0.5**

State and Local Total **\$5.0**

Change in State Tax Liability by FAGI



St. Mary's County

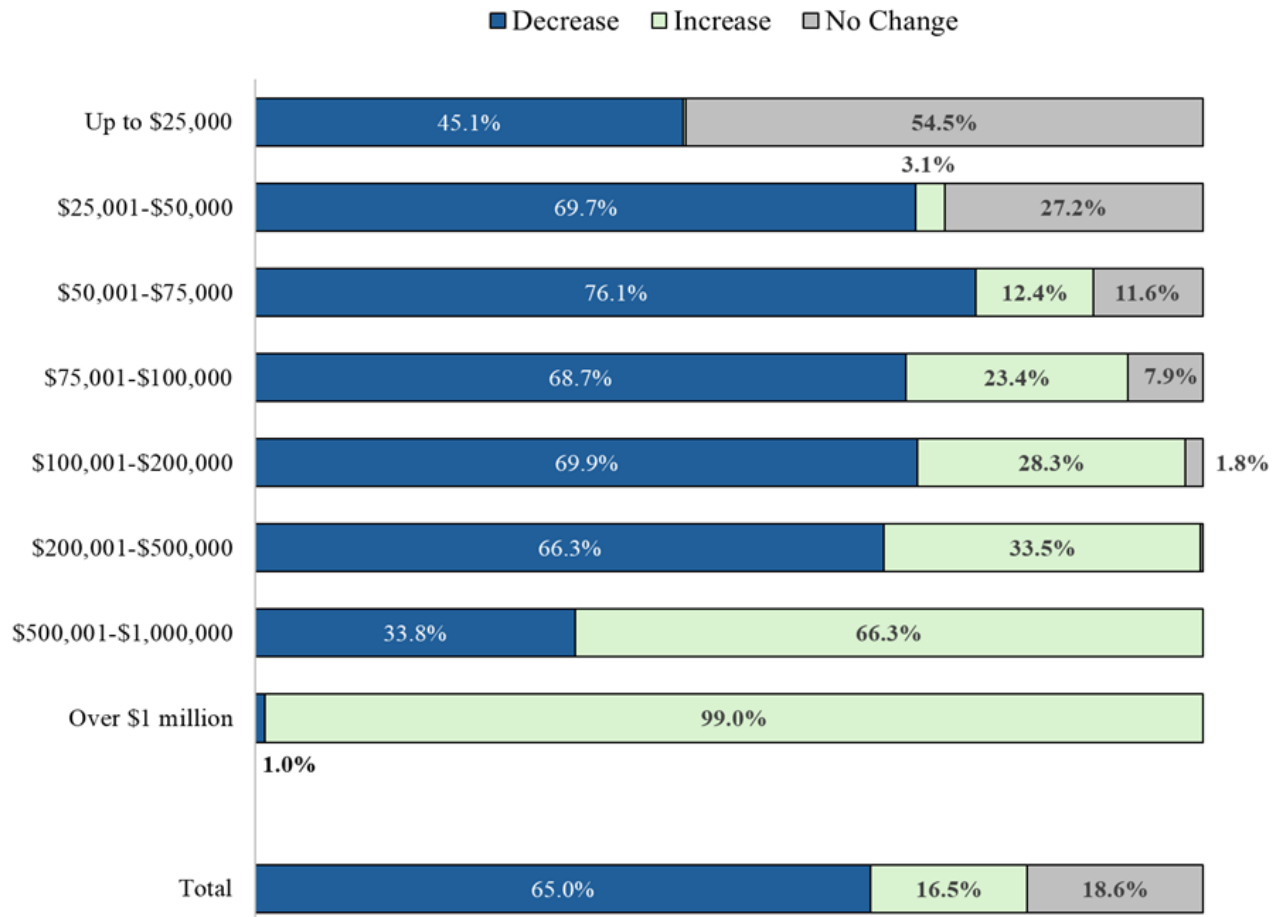
Tax Year 2023 Impact \$ in Millions

| | | % Change | Rank |
|--------------------|--------------|-------------|-----------|
| Rates/Deductions | \$1.7 | 0.9% | 16 |
| Capital Gains | \$0.5 | 0.3% | 21 |
| Total State | \$2.3 | 1.2% | 16 |

Local (\$1.0)

State and Local Total \$1.3

Change in State Tax Liability by FAGI



Somerset County

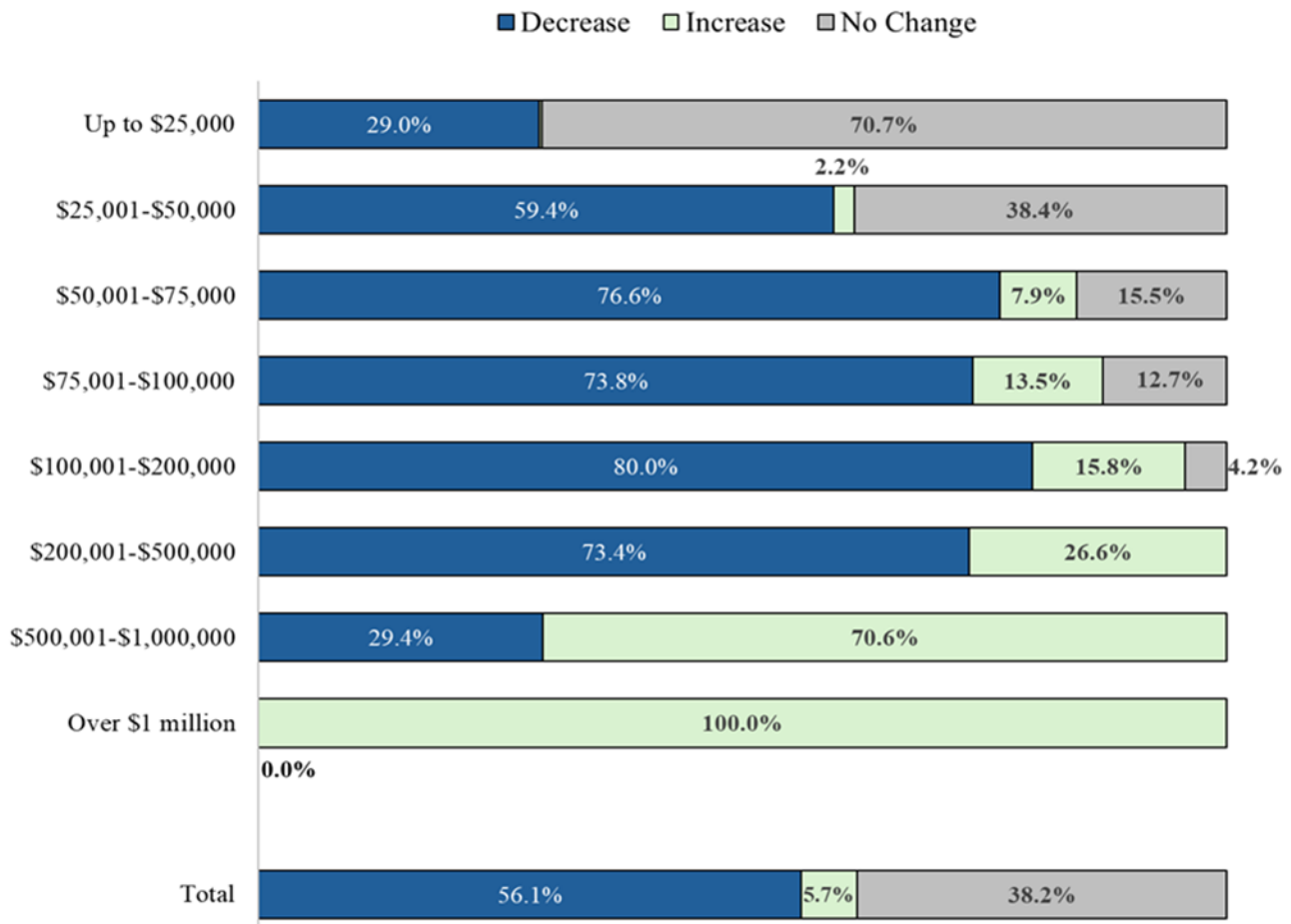
Tax Year 2023 Impact \$ in Millions

| | | % Change | Rank |
|--------------------|----------------|--------------|-----------|
| Rates/Deductions | (\$0.4) | -2.7% | 23 |
| Capital Gains | \$0.0 | 0.1% | 24 |
| Total State | (\$0.4) | -2.6% | 23 |

Local (\$0.7)

State and Local Total (\$1.1)

Change in State Tax Liability by FAGI



Talbot County

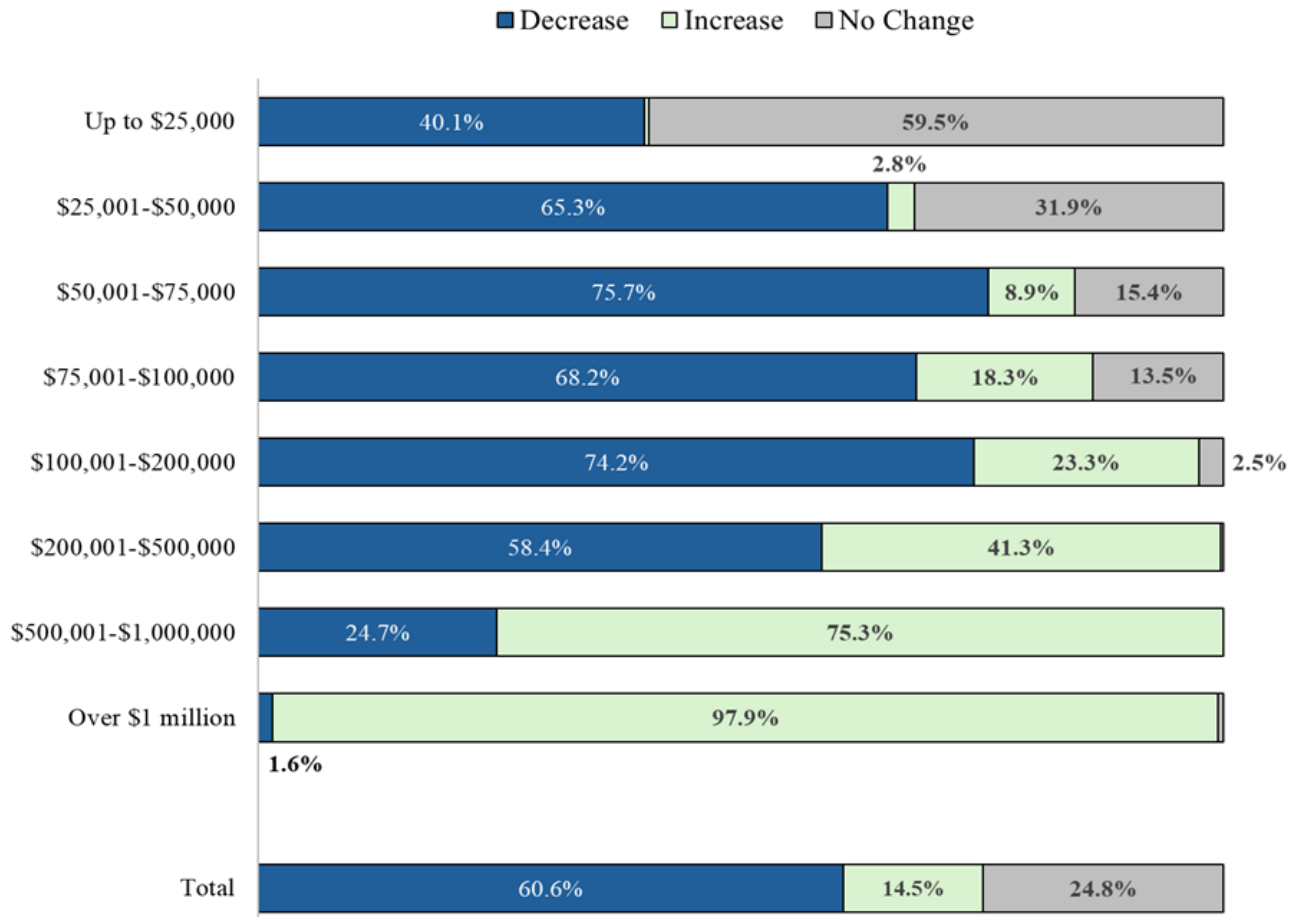
Tax Year 2023 Impact \$ in Millions

| | | % Change | Rank |
|--------------------|--------------|-------------|----------|
| Rates/Deductions | \$5.6 | 6.5% | 3 |
| Capital Gains | \$2.4 | 2.8% | 1 |
| Total State | \$8.0 | 9.3% | 1 |

Local \$0.8

State and Local Total \$8.8

Change in State Tax Liability by FAGI



Washington County

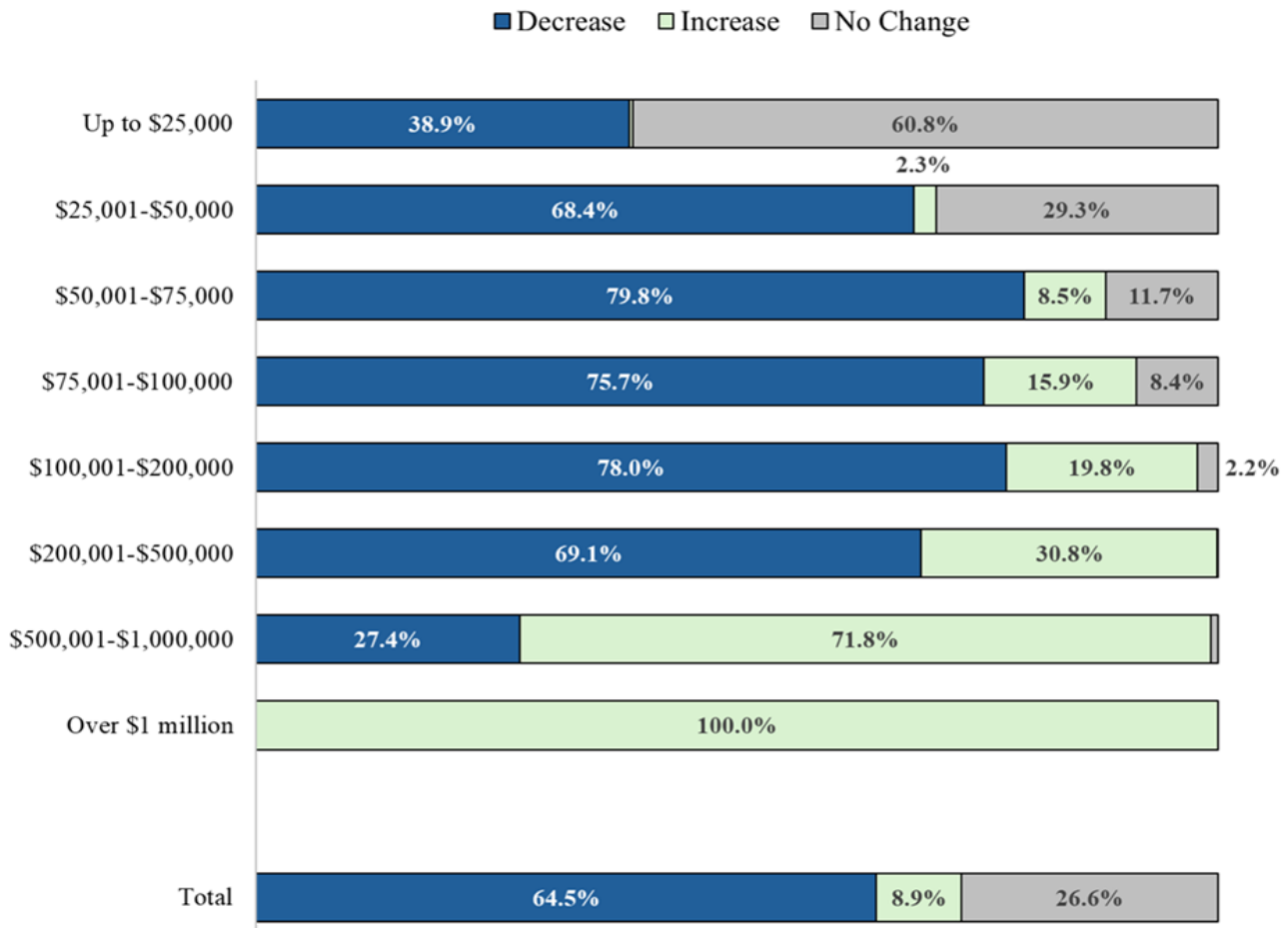
Tax Year 2023 Impact \$ in Millions

| | | % Change | Rank |
|--------------------|--------------|-------------|-----------|
| Rates/Deductions | (\$0.7) | -0.4% | 18 |
| Capital Gains | \$0.8 | 0.5% | 12 |
| Total State | \$0.2 | 0.1% | 17 |

Local (\$3.8)

State and Local Total (\$3.6)

Change in State Tax Liability by FAGI



Wicomico County

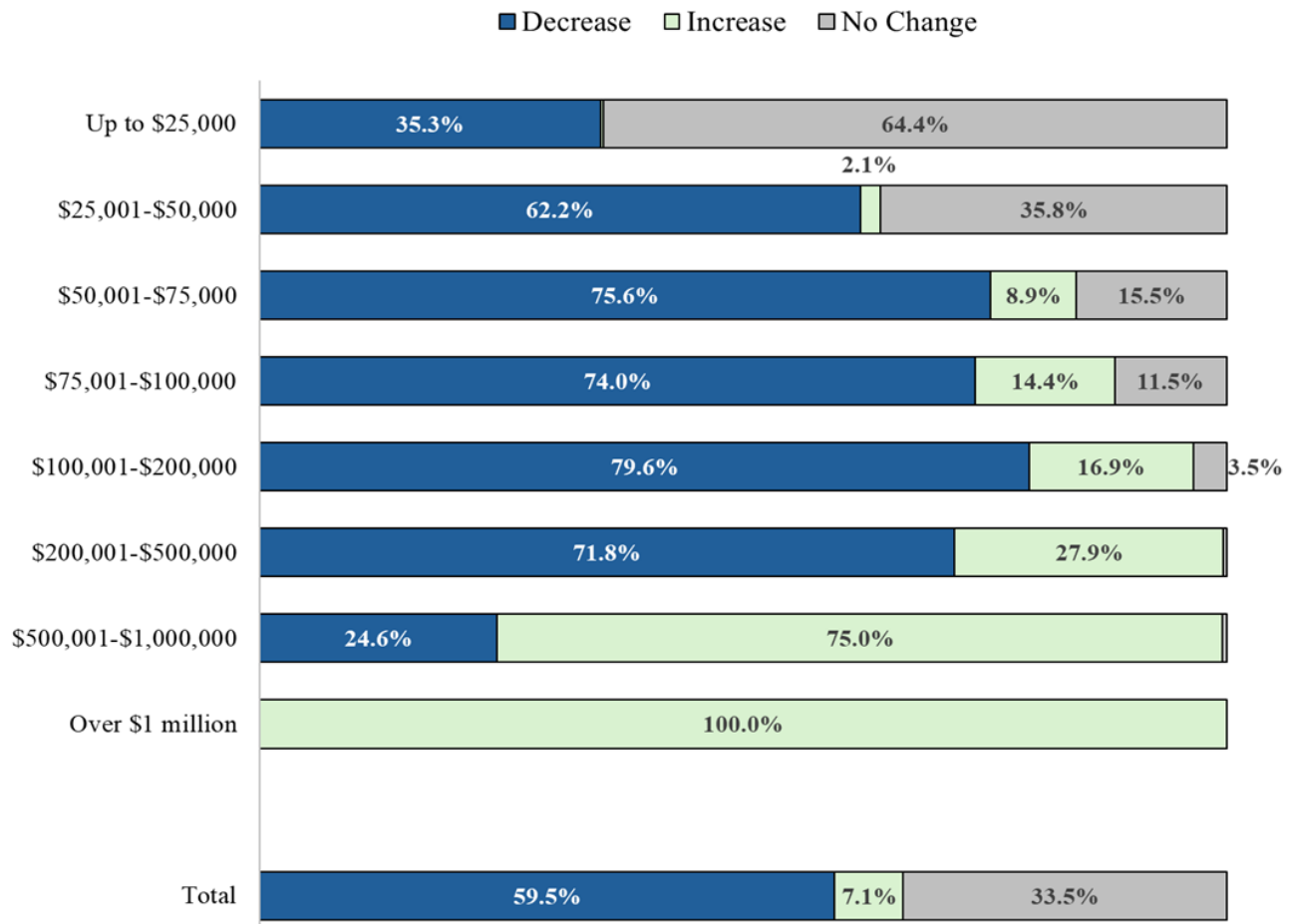
Tax Year 2023 Impact \$ in Millions

| | | % Change | Rank |
|--------------------|----------------|--------------|-----------|
| Rates/Deductions | (\$1.0) | -1.0% | 20 |
| Capital Gains | \$0.5 | 0.5% | 11 |
| Total State | (\$0.5) | -0.5% | 20 |

Local (\$3.5)

State and Local Total (\$4.0)

Change in State Tax Liability by FAGI



Worcester County

Tax Year 2023 Impact \$ in Millions

| | | % Change | Rank |
|--------------------|--------------|-------------|-----------|
| Rates/Deductions | \$2.2 | 2.5% | 11 |
| Capital Gains | \$0.8 | 0.9% | 8 |
| Total State | \$2.9 | 3.4% | 10 |

Local (\$0.6)

State and Local Total \$2.3

Change in State Tax Liability by FAGI

