

# THE BALANCE SHEET

COMPARISON OF STATE AID AND  
STATE TAX REVENUES COLLECTED  
FISCAL 2017



DEPARTMENT OF LEGISLATIVE SERVICES 2019

## **Primary Staff for This Report**

Arnold Adja

## **Other Staff Who Contributed to This Report**

Michael Sanelli  
Hiram Burch  
David Romans  
April Noren

### **For further information concerning this document contact:**

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Office of Policy Analysis  
Department of Legislative Services  
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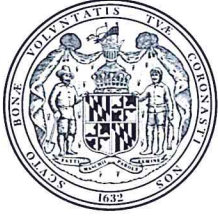
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DEPARTMENT OF LEGISLATIVE SERVICES  
OFFICE OF POLICY ANALYSIS  
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber  
Executive Director

Ryan Bishop  
Director

September 2019

The Honorable Thomas V. Mike Miller, Jr., President of the Senate  
The Honorable Adrienne A. Jones, Speaker of the House of Delegates  
Honorable Members of the Maryland General Assembly

Ladies and Gentlemen:

Local governments in Maryland currently depend on State aid to help support vital public services such as education, transportation, public safety, and local health initiatives. State aid accounts for approximately 27% of total county revenues and 7% of total municipal revenues. Additionally, State aid to local governments continues to be one of the largest components of the State budget, accounting for 39% of general fund expenditures and 27% of all State-funded expenditures.

Each year, the Department of Legislative Services (DLS) prepares a *Balance Sheet* that features the distribution of State aid payments to local governments and the allocation of certain State tax revenues on a county-by-county basis. In this analysis, State aid has been aggregated for the county irrespective as to whether the State aid is provided to the county government, a municipal government, special taxing district, or a local entity, such as a board of education, library board, or community college board.

This report includes tables showing by county the State financial assistance received for each dollar of State revenue generated. It also features a 10-year summary of county-by-county State financial assistance received for each dollar of State revenue collected. The report also includes information on the allocation of State revenues, per capita comparisons of State revenue allocations and State aid, and a summary of certain changes affecting the comparability of the current analysis with previous reports.

The study was prepared by Arnold Adja and reviewed by Michael Sanelli, Hiram Burch, and David Romans; the manuscript was prepared by April Noren. DLS trusts that the study will be useful to members of the General Assembly and to other persons interested in matters relating to State aid.

Sincerely,

Handwritten signature of Victoria L. Gruber in black ink.

Victoria L. Gruber  
Executive Director

Handwritten signature of Ryan Bishop in blue ink.

Ryan Bishop  
Director

VLG:RB/ajn



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## Executive Summary

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*The Balance Sheet* provides a comparison of State revenues collected to State financial assistance received for each county. State financial assistance includes direct payments by the State to a local government as well as payments made by the State on behalf of a local government, such as teachers' retirement payments. State revenue collections represent most general fund tax revenues, certain special fund tax revenues, and lottery receipts allocated to counties, primarily by point of collection.

*The Balance Sheet* is not an analysis of the "fairness" of State aid distributions to local governments. Counties in which taxpayers contribute relatively more State revenues should not necessarily receive more State aid. In fact, several State aid formulas distribute aid inversely to local property and income wealth, whereby local governments with greater capacity to raise revenues from local sources receive less State aid. Such aid programs accounted for about 70% of the State aid to local governments included in this *Balance Sheet*.

It is also important to note that State residents are subject to the same State tax rates regardless of the locality in which they reside. Jurisdictions that generate more State tax revenues per capita typically have a greater proportion of residents with higher incomes, or have a larger overall tax base.

In fiscal 2017, State revenue collections allocated in *The Balance Sheet* totaled \$18.1 billion, while State aid payments to local governments totaled \$7.2 billion. The individual income tax accounted for 50.2% of

the State revenues allocated in the report, while the sales tax accounted for 25.7% of revenues.

On average, local governments received \$0.40 in State aid (direct aid and retirement payments for each \$1.00 in taxes paid by county residents and businesses). This illustrates that local governments received 40% of the State revenues that were allocated on a county-by-county basis in the report. The remaining revenues funded State programs such as higher education, medical assistance, health, social services, corrections, and the Judiciary.

The share of State revenues provided to local governments has fluctuated since 2007, ranging from a low of 40% in fiscal 2016 and 2017 to a high of 47% in fiscal 2010. During the 10-year period ending in fiscal 2017, the "balance sheet index" as a percent of the statewide average increased in 5 jurisdictions, decreased in 7 jurisdictions, and remained relatively constant in 12 jurisdictions.

The ratios for 13 counties in fiscal 2017 matched or exceeded the statewide weighted average. State aid to revenue allocation ratios for Anne Arundel, Baltimore, Carroll, Frederick, Harford, Howard, Kent, Montgomery, Queen Anne's, Talbot, and Worcester counties were below the statewide average. In terms of total State aid received as measured on a per capita basis, Anne Arundel, Kent, Montgomery, Talbot, and Worcester counties received the least amount of aid, whereas Baltimore City and Caroline, Dorchester, Somerset, and Wicomico counties received the most.





# Chapter 1. Balance Sheet Index

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## Introduction

*The Balance Sheet* compares on a county-by-county basis State aid to State revenue collections as allocated among the counties. In fiscal 2017, State revenue collections allocated in *The Balance Sheet* totaled \$18.1 billion, while State aid payments to local governments totaled \$7.2 billion. This illustrates that local governments received approximately 40% of the State revenues that were allocated on a county-by-county basis in the report. The remaining revenues funded State programs. The share of State revenues provided to local governments has fluctuated over the last 10 years, ranging from a low of 40% in fiscal 2016 and 2017 to a high of 47% in fiscal 2010. **Exhibit 1.1** summarizes the county-by-county tax revenues and State aid allocations for fiscal 2017.

## Explanation of Ratios

*The Balance Sheet* utilizes two aid-to-revenue ratios as shown in **Exhibit 1.2**. The first is the ratio of direct State aid to total State revenues generated from a county. For example, a ratio of 0.68 for Allegany County in 2017 indicates that for every dollar of State tax revenues allocated to Allegany County, the county received \$0.68 in direct State aid. The amount of direct grants received for each \$1.00 of taxes paid in fiscal 2017 ranged from \$0.12 in Talbot and Worcester counties to \$1.19 in Somerset County. Statewide, the weighted average for this measure was \$0.35, and the simple average (county mean) was \$0.45. The amount for Baltimore City includes State assumed functions.

The second ratio compares direct State aid and retirement payments to total State revenue allocations. Retirement payments include State paid retirement costs for public school teachers, librarians, and community college faculty that the State makes on behalf of the local government. Again, using Allegany County as the example, in fiscal 2017, the county received \$0.74 in State assistance for every \$1.00 of State tax revenues allocated to the county. On this measure, State assistance received for each \$1.00 of taxes paid in fiscal 2017 varied from \$0.15 for Talbot County to \$1.29 for Somerset County. Statewide, the weighted average was \$0.40, and the simple average was \$0.51.

Dividing each county's aid to revenue ratios by the statewide weighted averages indexes the county aid to revenue ratios to the statewide average. In fiscal 2017, for example, Allegany County's direct aid index was 1.92, indicating that Allegany County's ratio was 92% above the statewide average. Including retirement payments lowers Allegany County's ratio to 1.86, or 86%, above the statewide average. **Exhibit 1.3** shows each county's index value. Indexing county aid to revenue ratios by the statewide average enables comparison of the current *Balance Sheet* to previous years.

For purposes of comparing how the allocation of State aid in relation to State revenues has changed over time, the index for each county is provided over a 10-year period. **Exhibits 1.4** and **1.5** show the ratios to taxes paid for direct State aid and total State aid, including retirement payments. **Exhibits 1.6** and **1.7** show the index values for these ratios.

In addition to weighted and simple averages, Exhibits 1.2 and 1.3 show the standard deviation. Standard deviation measures how widely dispersed values are in a data set. The closer data points are to the average, the smaller the standard deviation; however, as data points become more spread out over the data set, the standard deviation increases. For example, the standard deviations for both measurements in Exhibit 1.2 are relatively small at 0.28 for direct aid and 0.29 for direct aid and retirement payments. The standard deviation is useful in showing how the variation in the “balance sheet index” has changed over time. The variation among the counties has remained relatively stable over the 10-year period.

## **Findings**

On average, local governments received \$0.35 in direct State aid for each \$1.00 in taxes paid by county residents and businesses. The ratios for 12 counties matched or exceeded this statewide weighted average. State aid to revenue allocation ratios for 4 of Maryland’s largest jurisdictions (Anne Arundel, Baltimore, Howard, and Montgomery counties) were considerably below the statewide average. Moreover, the simple average, or county mean, of \$0.45, calculated by summing the county ratios and dividing by 24, is higher than the statewide weighted average.

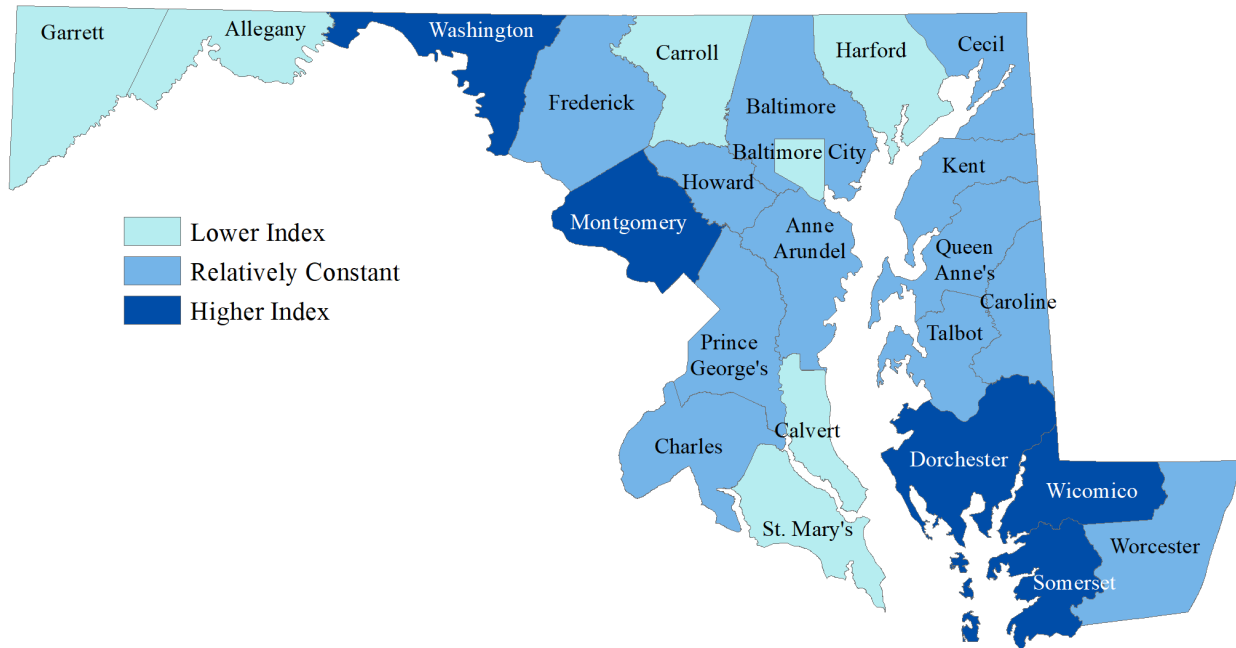
Likewise, on average, local governments received \$0.40 in total State aid (direct aid and retirement payments) for each \$1.00 in taxes paid. The ratios for 13 counties matched or exceeded the statewide average. As with the direct State aid ratio, State assistance to revenue allocation ratios for four of Maryland’s largest jurisdictions (Anne Arundel, Baltimore, Howard, and Montgomery counties) were considerably below the statewide average.

In terms of total State aid received for each \$1.00 in taxes paid, Montgomery, Talbot, and Worcester counties had the lowest ratios in fiscal 2017 (received the least amount of State aid in relation to the collection of allocated State tax revenues), while Baltimore City and Caroline and Somerset counties had the highest ratios (received the greatest amount of State aid in relation to the collection of allocated State tax revenues).

During this 10-year period, the “balance sheet index” increased significantly in 5 counties and decreased in 6 counties and Baltimore City, as illustrated in the following map. For the remaining 12 counties, the index value in the most recent years is similar to the value in the earlier years, but for several counties, there were upward and downward trends for the intervening years. The fluctuation in the “balance sheet index” is primarily due to the relative change in local wealth among the counties. In the last 10 years, both Garrett and Kent counties experienced the highest growth in their local per pupil wealth measure, which is one of the key factors in the allocation of State education aid. Due to the above average growth in local wealth, both counties have become

less reliant on State aid as a local funding source. In contrast, Montgomery and Wicomico counties have experienced the lowest growth in their local per pupil wealth measure.

### Change in “Balance Sheet Index” During 10-year Period



Another approach to measure the allocation of State revenues and State assistance is to compare each county's amount with its share of the State's population. As shown in **Exhibit 1.8**, Montgomery County is the most populous county in Maryland and generates the greatest share of State tax revenues; however, it ranks third in the amount of State aid that it receives. Prince George's County, the second most populous jurisdiction, receives the largest percentage of State aid, followed by Baltimore City, the fourth most populous jurisdiction.

As shown in **Exhibit 1.9**, the five counties that generated the most State tax revenues in fiscal 2017 as measured on a per capita basis include Anne Arundel, Howard, Montgomery, Talbot, and Worcester. The counties that generated the least per capita State tax revenues include Allegany, Caroline, Cecil, Dorchester, and Somerset. It is important to note that State residents are subject to the same State tax rates regardless of the locality in which they reside. Jurisdictions that generate more State tax revenue per capita typically have a greater proportion of residents with higher incomes or a larger overall tax base.

Jurisdictions that received the greatest amount of State aid in fiscal 2017 as measured on a per capita basis include Baltimore City and Caroline, Dorchester, Somerset, and Wicomico counties. Jurisdictions receiving the least amount of State aid per capita include Anne Arundel, Kent, Montgomery, Talbot, and Worcester counties. As stated earlier, counties in which taxpayers

contribute relatively more State revenues should not necessarily receive more State aid. In fact, several State aid formulas distribute aid inversely to local property and income wealth, whereby jurisdictions with greater capacity to raise revenues from local sources receive less State aid. Such aid programs accounted for about 70% of State aid to local governments included in this *Balance Sheet*.

**Exhibit 1.1**  
**Allocation of State Revenues and State Aid**  
**Fiscal 2017**

<b>County</b>	<b>Allocation of Total Tax Revenues</b>	<b>Direct State Grants</b>	<b>Direct Grants and Payments- on-behalf</b>
Allegany	\$147,742,962	\$100,082,201	\$109,840,025
Anne Arundel	1,990,119,807	426,524,712	500,084,718
Baltimore City	1,398,940,247	1,175,152,163	1,247,733,852
Baltimore	2,574,387,323	712,462,463	811,049,505
Calvert	257,617,804	90,376,048	106,180,724
Caroline	58,132,799	58,352,042	63,366,200
Carroll	508,148,158	149,176,914	171,937,019
Cecil	196,746,315	120,078,944	134,790,599
Charles	444,420,828	185,772,938	210,117,310
Dorchester	64,901,358	45,848,834	50,004,886
Frederick	759,480,620	251,686,413	288,455,367
Garrett	70,687,250	30,071,911	33,981,706
Harford	705,111,082	226,034,149	258,197,954
Howard	1,173,834,709	268,296,090	333,695,509
Kent	57,158,372	11,490,150	13,505,420
Montgomery	4,003,381,974	739,965,049	919,679,536
Prince George's	2,191,999,654	1,206,145,193	1,329,686,031
Queen Anne's	148,270,752	37,922,976	44,801,446
St. Mary's	299,276,585	107,495,455	121,746,379
Somerset	31,267,822	37,251,025	40,248,285
Talbot	151,532,376	18,000,094	22,025,734
Washington	365,734,881	184,539,716	204,454,577
Wicomico	230,273,617	159,719,553	173,442,299
Worcester	228,397,694	28,026,275	35,714,170
<b>Total</b>	<b>\$18,057,564,993</b>	<b>\$6,370,471,308</b>	<b>\$7,224,739,251</b>

Source: Department of Legislative Services

**Exhibit 1.2**  
**State Financial Assistance Received for Each \$1.00 of Taxes Paid**  
**Fiscal 2017**

<b>County</b>	<b>Direct State Grants</b>	<b>Direct Grants and Payments-on-behalf</b>
Allegany	0.68	0.74
Anne Arundel	0.21	0.25
Baltimore City	0.84	0.89
Baltimore	0.28	0.32
Calvert	0.35	0.41
Caroline	1.00	1.09
Carroll	0.29	0.34
Cecil	0.61	0.69
Charles	0.42	0.47
Dorchester	0.71	0.77
Frederick	0.33	0.38
Garrett	0.43	0.48
Harford	0.32	0.37
Howard	0.23	0.28
Kent	0.20	0.24
Montgomery	0.18	0.23
Prince George's	0.55	0.61
Queen Anne's	0.26	0.30
St. Mary's	0.36	0.41
Somerset	1.19	1.29
Talbot	0.12	0.15
Washington	0.50	0.56
Wicomico	0.69	0.75
Worcester	0.12	0.16
<b>Total (Weighted Avg.)</b>	<b>0.35</b>	<b>0.40</b>
<b>County Mean (Simple Avg.)</b>	<b>0.45</b>	<b>0.51</b>
<b>Standard Deviation</b>	<b>0.28</b>	<b>0.29</b>

Source: Department of Legislative Services

**Exhibit 1.3**  
**State Financial Assistance Received as Indexed to the Statewide Average**  
**Fiscal 2017**

<b>County</b>	<b>Direct State Grants</b>	<b>Direct Grants and Payments-on-behalf</b>
Allegany	1.92	1.86
Anne Arundel	0.61	0.63
Baltimore City	2.38	2.23
Baltimore	0.78	0.79
Calvert	0.99	1.03
Caroline	2.85	2.72
Carroll	0.83	0.85
Cecil	1.73	1.71
Charles	1.18	1.18
Dorchester	2.00	1.93
Frederick	0.94	0.95
Garrett	1.21	1.20
Harford	0.91	0.92
Howard	0.65	0.71
Kent	0.57	0.59
Montgomery	0.52	0.57
Prince George's	1.56	1.52
Queen Anne's	0.72	0.76
St. Mary's	1.02	1.02
Somerset	3.38	3.22
Talbot	0.34	0.36
Washington	1.43	1.40
Wicomico	1.97	1.88
Worcester	0.35	0.39
<b>Total (Weighted Avg.)</b>	<b>1.00</b>	<b>1.00</b>
<b>County Mean (Simple Avg.)</b>	<b>1.28</b>	<b>1.27</b>
<b>Standard Deviation</b>	<b>0.80</b>	<b>0.74</b>

Source: Department of Legislative Services

**Exhibit 1.4**  
**State Financial Assistance Received for Each \$1.00 of Taxes Paid**  
**Direct Aid**  
**Ten Fiscal Year Summary**

<b>County</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Allegany	0.85	0.87	0.87	0.83	0.76	0.75	0.73	0.68	0.67	0.68
Anne Arundel	0.22	0.23	0.22	0.22	0.22	0.22	0.23	0.22	0.21	0.21
Baltimore City	1.02	1.06	1.04	1.03	1.01	0.96	0.96	0.92	0.89	0.84
Baltimore	0.27	0.29	0.29	0.28	0.27	0.27	0.27	0.27	0.27	0.28
Calvert	0.48	0.47	0.47	0.46	0.42	0.40	0.38	0.37	0.35	0.35
Caroline	1.05	1.13	1.09	1.07	1.04	1.02	1.02	1.00	1.00	1.00
Carroll	0.39	0.40	0.40	0.39	0.37	0.35	0.33	0.31	0.29	0.29
Cecil	0.69	0.70	0.69	0.72	0.67	0.65	0.62	0.60	0.58	0.61
Charles	0.47	0.49	0.47	0.45	0.45	0.43	0.43	0.41	0.40	0.42
Dorchester	0.65	0.72	0.70	0.60	0.68	0.66	0.67	0.68	0.70	0.71
Frederick	0.39	0.42	0.41	0.40	0.39	0.38	0.38	0.36	0.34	0.33
Garrett	0.57	0.58	0.58	0.57	0.51	0.48	0.45	0.43	0.43	0.43
Harford	0.43	0.44	0.43	0.42	0.39	0.37	0.36	0.34	0.33	0.32
Howard	0.24	0.26	0.26	0.26	0.25	0.24	0.24	0.23	0.23	0.23
Kent	0.22	0.26	0.27	0.25	0.24	0.24	0.25	0.21	0.18	0.20
Montgomery	0.15	0.17	0.19	0.19	0.19	0.19	0.20	0.19	0.19	0.18
Prince George's	0.60	0.60	0.58	0.54	0.52	0.52	0.53	0.53	0.55	0.55
Queen Anne's	0.29	0.32	0.31	0.30	0.30	0.30	0.29	0.27	0.26	0.26
St. Mary's	0.45	0.47	0.44	0.43	0.40	0.39	0.38	0.37	0.34	0.36
Somerset	1.19	1.12	1.18	1.24	1.17	1.11	1.23	1.22	1.17	1.19
Talbot	0.10	0.11	0.11	0.12	0.10	0.11	0.11	0.12	0.12	0.12
Washington	0.50	0.52	0.53	0.53	0.54	0.52	0.54	0.52	0.50	0.50
Wicomico	0.56	0.61	0.64	0.67	0.65	0.65	0.68	0.66	0.66	0.69
Worcester	0.12	0.12	0.13	0.13	0.13	0.13	0.13	0.12	0.12	0.12
<b>Total (Weighted Avg.)</b>	<b>0.38</b>	<b>0.41</b>	<b>0.40</b>	<b>0.39</b>	<b>0.38</b>	<b>0.37</b>	<b>0.37</b>	<b>0.36</b>	<b>0.36</b>	<b>0.35</b>
<b>County Mean (Simple Avg.)</b>	<b>0.50</b>	<b>0.52</b>	<b>0.51</b>	<b>0.50</b>	<b>0.49</b>	<b>0.47</b>	<b>0.47</b>	<b>0.46</b>	<b>0.45</b>	<b>0.45</b>

Note: Amounts have been adjusted to reflect changes in State aid classifications and computations. See Chapter 4 on comparability.

Source: Department of Legislative Services



**Exhibit 1.5**  
**State Financial Assistance Received for Each \$1.00 of Taxes Paid**  
**Direct Aid and Payments-on-behalf**  
**Ten Fiscal Year Summary**

<b>County</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Allegany	0.91	0.93	0.95	0.92	0.84	0.83	0.80	0.75	0.74	0.74
Anne Arundel	0.26	0.27	0.27	0.27	0.27	0.26	0.27	0.25	0.25	0.25
Baltimore City	1.07	1.12	1.11	1.10	1.07	1.02	1.02	0.97	0.95	0.89
Baltimore	0.30	0.33	0.34	0.33	0.32	0.31	0.31	0.30	0.31	0.32
Calvert	0.54	0.54	0.56	0.54	0.50	0.47	0.45	0.43	0.41	0.41
Caroline	1.13	1.22	1.20	1.19	1.15	1.11	1.11	1.08	1.09	1.09
Carroll	0.43	0.45	0.46	0.45	0.43	0.40	0.38	0.35	0.34	0.34
Cecil	0.76	0.77	0.78	0.82	0.76	0.73	0.69	0.68	0.65	0.69
Charles	0.53	0.54	0.54	0.52	0.52	0.49	0.48	0.46	0.45	0.47
Dorchester	0.70	0.78	0.78	0.68	0.76	0.73	0.73	0.74	0.76	0.77
Frederick	0.43	0.47	0.48	0.47	0.46	0.44	0.43	0.41	0.39	0.38
Garrett	0.63	0.64	0.66	0.65	0.59	0.55	0.51	0.48	0.48	0.48
Harford	0.47	0.50	0.50	0.49	0.45	0.42	0.41	0.39	0.37	0.37
Howard	0.29	0.32	0.33	0.33	0.32	0.30	0.30	0.28	0.28	0.28
Kent	0.25	0.31	0.33	0.31	0.29	0.28	0.29	0.25	0.21	0.24
Montgomery	0.19	0.22	0.25	0.25	0.25	0.24	0.24	0.23	0.23	0.23
Prince George's	0.66	0.66	0.66	0.62	0.59	0.58	0.58	0.58	0.60	0.61
Queen Anne's	0.33	0.37	0.37	0.36	0.36	0.35	0.34	0.32	0.31	0.30
St. Mary's	0.50	0.52	0.50	0.50	0.46	0.45	0.43	0.42	0.39	0.41
Somerset	1.27	1.20	1.29	1.37	1.29	1.21	1.32	1.31	1.26	1.29
Talbot	0.12	0.13	0.13	0.15	0.13	0.13	0.14	0.14	0.14	0.15
Washington	0.54	0.57	0.59	0.60	0.60	0.58	0.59	0.57	0.56	0.56
Wicomico	0.60	0.66	0.71	0.75	0.73	0.71	0.73	0.72	0.72	0.75
Worcester	0.15	0.16	0.17	0.17	0.17	0.16	0.17	0.16	0.16	0.16
<b>Total (Weighted Avg.)</b>	<b>0.43</b>	<b>0.45</b>	<b>0.47</b>	<b>0.46</b>	<b>0.44</b>	<b>0.42</b>	<b>0.42</b>	<b>0.41</b>	<b>0.40</b>	<b>0.40</b>
<b>County Mean (Simple Avg.)</b>	<b>0.55</b>	<b>0.57</b>	<b>0.58</b>	<b>0.58</b>	<b>0.55</b>	<b>0.53</b>	<b>0.53</b>	<b>0.51</b>	<b>0.50</b>	<b>0.51</b>

Note: Amounts have been adjusted to reflect changes in State aid classifications and computations. See Chapter 4 on comparability.

Source: Department of Legislative Services

**Exhibit 1.6**  
**State Financial Assistance Received as Indexed to the Statewide Average**  
**Direct Aid**  
**Ten Fiscal Year Summary**

<b>County</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Allegany	2.20	2.14	2.15	2.13	2.01	2.02	1.96	1.89	1.89	1.92
Anne Arundel	0.58	0.57	0.56	0.57	0.58	0.60	0.61	0.60	0.60	0.61
Baltimore City	2.65	2.61	2.58	2.62	2.66	2.60	2.57	2.55	2.51	2.38
Baltimore	0.71	0.72	0.72	0.72	0.73	0.72	0.73	0.74	0.77	0.78
Calvert	1.26	1.17	1.17	1.16	1.10	1.08	1.03	1.03	0.97	0.99
Caroline	2.72	2.79	2.70	2.72	2.75	2.76	2.74	2.77	2.82	2.85
Carroll	1.00	0.99	0.99	0.98	0.97	0.94	0.89	0.85	0.82	0.83
Cecil	1.80	1.73	1.70	1.84	1.77	1.75	1.66	1.68	1.64	1.73
Charles	1.23	1.21	1.16	1.14	1.18	1.16	1.14	1.13	1.13	1.18
Dorchester	1.68	1.77	1.73	1.54	1.80	1.80	1.80	1.89	1.97	2.00
Frederick	1.00	1.03	1.02	1.01	1.04	1.03	1.02	1.00	0.96	0.94
Garrett	1.49	1.43	1.44	1.45	1.36	1.30	1.20	1.18	1.20	1.21
Harford	1.11	1.09	1.07	1.07	1.04	1.00	0.96	0.93	0.92	0.91
Howard	0.63	0.65	0.64	0.67	0.67	0.66	0.65	0.63	0.64	0.65
Kent	0.57	0.65	0.68	0.64	0.63	0.65	0.67	0.59	0.52	0.57
Montgomery	0.40	0.43	0.47	0.49	0.51	0.52	0.53	0.53	0.53	0.52
Prince George's	1.57	1.48	1.44	1.39	1.36	1.41	1.42	1.48	1.53	1.56
Queen Anne's	0.76	0.79	0.77	0.76	0.80	0.80	0.77	0.76	0.74	0.72
St. Mary's	1.17	1.15	1.09	1.11	1.05	1.06	1.02	1.03	0.96	1.02
Somerset	3.08	2.75	2.91	3.16	3.10	3.02	3.29	3.38	3.30	3.38
Talbot	0.27	0.26	0.26	0.30	0.27	0.29	0.29	0.32	0.33	0.34
Washington	1.30	1.29	1.31	1.35	1.42	1.41	1.43	1.44	1.42	1.43
Wicomico	1.44	1.50	1.58	1.70	1.72	1.75	1.81	1.84	1.87	1.97
Worcester	0.31	0.30	0.32	0.33	0.34	0.34	0.35	0.34	0.35	0.35
<b>Total (Weighted Avg.)</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
<b>County Mean (Simple Avg.)</b>	<b>1.29</b>	<b>1.27</b>	<b>1.27</b>	<b>1.29</b>	<b>1.29</b>	<b>1.28</b>	<b>1.27</b>	<b>1.27</b>	<b>1.27</b>	<b>1.28</b>

Note: Amounts have been adjusted to reflect changes in State aid classifications and computations. See Chapter 4 on comparability.

Source: Department of Legislative Services

**Exhibit 1.7**  
**State Financial Assistance Received as Indexed to the Statewide Average**  
**Direct Aid and Payments-on-behalf**  
**Ten Fiscal Year Summary**

<b>County</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Allegany	2.12	2.05	2.04	2.02	1.92	1.96	1.91	1.84	1.83	1.86
Anne Arundel	0.60	0.59	0.59	0.60	0.61	0.63	0.63	0.62	0.62	0.63
Baltimore City	2.50	2.46	2.39	2.42	2.46	2.42	2.41	2.39	2.35	2.23
Baltimore	0.71	0.73	0.73	0.72	0.73	0.73	0.74	0.75	0.77	0.79
Calvert	1.27	1.19	1.20	1.19	1.14	1.13	1.08	1.07	1.01	1.03
Caroline	2.63	2.69	2.59	2.60	2.63	2.64	2.63	2.66	2.71	2.72
Carroll	1.01	1.00	1.00	1.00	0.98	0.96	0.91	0.87	0.84	0.85
Cecil	1.77	1.71	1.68	1.80	1.74	1.74	1.65	1.67	1.63	1.71
Charles	1.23	1.20	1.16	1.14	1.18	1.16	1.15	1.13	1.13	1.18
Dorchester	1.64	1.72	1.68	1.49	1.73	1.73	1.74	1.83	1.90	1.93
Frederick	1.01	1.03	1.03	1.02	1.05	1.03	1.02	1.01	0.97	0.95
Garrett	1.47	1.42	1.42	1.42	1.35	1.30	1.21	1.18	1.19	1.20
Harford	1.11	1.10	1.07	1.07	1.04	1.00	0.97	0.95	0.93	0.92
Howard	0.68	0.70	0.70	0.73	0.73	0.72	0.71	0.69	0.70	0.71
Kent	0.59	0.67	0.71	0.67	0.66	0.67	0.68	0.62	0.54	0.59
Montgomery	0.45	0.49	0.53	0.55	0.57	0.57	0.57	0.57	0.58	0.57
Prince George's	1.54	1.45	1.41	1.36	1.34	1.38	1.38	1.43	1.49	1.52
Queen Anne's	0.77	0.80	0.79	0.78	0.82	0.83	0.80	0.78	0.76	0.76
St. Mary's	1.17	1.14	1.08	1.09	1.05	1.06	1.03	1.03	0.97	1.02
Somerset	2.96	2.64	2.77	3.00	2.94	2.88	3.14	3.21	3.15	3.22
Talbot	0.29	0.29	0.29	0.33	0.31	0.32	0.32	0.35	0.35	0.36
Washington	1.27	1.26	1.27	1.31	1.37	1.38	1.40	1.41	1.39	1.40
Wicomico	1.41	1.46	1.52	1.64	1.66	1.68	1.74	1.77	1.80	1.88
Worcester	0.36	0.34	0.37	0.38	0.39	0.39	0.40	0.38	0.39	0.39
<b>Total (Weighted Avg.)</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
<b>County Mean (Simple Avg.)</b>	<b>1.27</b>	<b>1.26</b>	<b>1.25</b>	<b>1.26</b>	<b>1.27</b>	<b>1.26</b>	<b>1.26</b>	<b>1.26</b>	<b>1.25</b>	<b>1.27</b>

Note: Amounts have been adjusted to reflect changes in State aid classifications and computations. See Chapter 4 on comparability.

Source: Department of Legislative Services

**Exhibit 1.8**  
**Comparison of State Tax Revenues and State Aid – Fiscal 2017**

County	<u>Share of Population</u>			<u>Share of State Tax Revenues</u>			<u>Share of State Grants</u>		
	Population	Percent of Total	Ranking	Total Revenues	Percent of Total	Ranking	Total Grants	Percent of Total	Ranking
Allegany	72,194	1.2%	16	\$147,742,962	0.8%	19	\$109,840,025	1.5%	15
Anne Arundel	568,916	9.4%	5	1,990,119,807	11.0%	4	500,084,718	6.9%	5
Baltimore City	616,958	10.2%	4	1,398,940,247	7.7%	5	1,247,733,852	17.3%	2
Baltimore	831,431	13.8%	3	2,574,387,323	14.3%	2	811,049,505	11.2%	4
Calvert	91,099	1.5%	15	257,617,804	1.4%	13	106,180,724	1.5%	16
Caroline	32,887	0.5%	20	58,132,799	0.3%	22	63,366,200	0.9%	17
Carroll	167,140	2.8%	9	508,148,158	2.8%	9	171,937,019	2.4%	12
Cecil	102,701	1.7%	13	196,746,315	1.1%	16	134,790,599	1.9%	13
Charles	157,430	2.6%	10	444,420,828	2.5%	10	210,117,310	2.9%	9
Dorchester	32,267	0.5%	21	64,901,358	0.4%	21	50,004,886	0.7%	18
Frederick	247,881	4.1%	8	759,480,620	4.2%	7	288,455,367	4.0%	7
Garrett	29,344	0.5%	22	70,687,250	0.4%	20	33,981,706	0.5%	22
Harford	250,439	4.2%	7	705,111,082	3.9%	8	258,197,954	3.6%	8
Howard	316,966	5.3%	6	1,173,834,709	6.5%	6	333,695,509	4.6%	6
Kent	19,654	0.3%	24	57,158,372	0.3%	23	13,505,420	0.2%	24
Montgomery	1,048,332	17.4%	1	4,003,381,974	22.2%	1	919,679,536	12.7%	3
Prince George's	911,154	15.1%	2	2,191,999,654	12.1%	3	1,329,686,031	18.4%	1
Queen Anne's	49,178	0.8%	18	148,270,752	0.8%	18	44,801,446	0.6%	19
St. Mary's	111,835	1.9%	12	299,276,585	1.7%	12	121,746,379	1.7%	14
Somerset	25,833	0.4%	23	31,267,822	0.2%	24	40,248,285	0.6%	20
Talbot	37,204	0.6%	19	151,532,376	0.8%	17	22,025,734	0.3%	23
Washington	149,810	2.5%	11	365,734,881	2.0%	11	204,454,577	2.8%	10
Wicomico	102,585	1.7%	14	230,273,617	1.3%	14	173,442,299	2.4%	11
Worcester	51,514	0.9%	17	228,397,694	1.3%	15	35,714,170	0.5%	21
<b>Total</b>	<b>6,024,752</b>	<b>100.0%</b>		<b>\$18,057,564,993</b>	<b>100.0%</b>		<b>\$7,224,739,251</b>	<b>100.0%</b>	

Source: Department of Legislative Services

**Exhibit 1.9**  
**Per Capita Allocation of State Tax Revenues and State Aid – Fiscal 2017**

County	Population	Allocation of State Tax Revenues			State Grants to Local Governments		
		Total Revenues	Per Capita Amount	Ranking	Total Grants	Per Capita Amount	Ranking
Allegany	72,194	\$147,742,962	\$2,046	20	\$109,840,025	\$1,521	6
Anne Arundel	568,916	1,990,119,807	3,498	5	500,084,718	879	20
Baltimore City	616,958	1,398,940,247	2,267	18	1,247,733,852	2,022	1
Baltimore	831,431	2,574,387,323	3,096	6	811,049,505	975	18
Calvert	91,099	257,617,804	2,828	11	106,180,724	1,166	11
Caroline	32,887	58,132,799	1,768	23	63,366,200	1,927	2
Carroll	167,140	508,148,158	3,040	8	171,937,019	1,029	17
Cecil	102,701	196,746,315	1,916	22	134,790,599	1,312	10
Charles	157,430	444,420,828	2,823	12	210,117,310	1,335	9
Dorchester	32,267	64,901,358	2,011	21	50,004,886	1,550	5
Frederick	247,881	759,480,620	3,064	7	288,455,367	1,164	12
Garrett	29,344	70,687,250	2,409	16	33,981,706	1,158	13
Harford	250,439	705,111,082	2,816	13	258,197,954	1,031	16
Howard	316,966	1,173,834,709	3,703	4	333,695,509	1,053	15
Kent	19,654	57,158,372	2,908	10	13,505,420	687	23
Montgomery	1,048,332	4,003,381,974	3,819	3	919,679,536	877	21
Prince George's	911,154	2,191,999,654	2,406	17	1,329,686,031	1,459	7
Queen Anne's	49,178	148,270,752	3,015	9	44,801,446	911	19
St. Mary's	111,835	299,276,585	2,676	14	121,746,379	1,089	14
Somerset	25,833	31,267,822	1,210	24	40,248,285	1,558	4
Talbot	37,204	151,532,376	4,073	2	22,025,734	592	24
Washington	149,810	365,734,881	2,441	15	204,454,577	1,365	8
Wicomico	102,585	230,273,617	2,245	19	173,442,299	1,691	3
Worcester	51,514	228,397,694	4,434	1	35,714,170	693	22
<b>Total</b>	<b>6,024,752</b>	<b>\$18,057,564,993</b>	<b>\$2,997</b>		<b>\$7,224,739,251</b>	<b>\$1,199</b>	

Source: Department of Legislative Services



## Chapter 2. State Aid to Local Governments

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### Introduction

State aid is a major revenue source for local governments in Maryland, totaling \$7.5 billion in fiscal 2017. This funding includes direct aid to county and municipal governments, local school systems, libraries, community colleges, and local health departments; payments made on behalf of local governments for the employer's share of retirement costs for public school teachers, librarians, and community college faculty; and State assumption of functions and responsibilities in Baltimore City that are typically performed by local governments.

Most State aid is targeted to local school systems. In fiscal 2017, 86.1% of State aid went to support local school systems with county and municipal governments receiving 7.9% of the aid. Support for local school systems totaled \$6.3 billion in fiscal 2017, while county and municipal governments received \$581.1 million. The remaining 6.0% was allocated to local libraries, community colleges, and local health departments. These entities received \$437.3 million in fiscal 2017. In addition, State spending on the assumption of functions in Baltimore City has decreased from \$172.4 million in fiscal 2007 to \$163.1 million in fiscal 2017.

### State Aid Allocation

State financial assistance reported in *The Balance Sheet* for fiscal 2017 totals \$7.2 billion, representing \$6.2 billion in direct State grants, \$854.3 million in retirement payments, and \$163.1 million in assumed functions for Baltimore City. Direct State grants include funds for police protection, fire and rescue services, public schools, community colleges, libraries, and public health services. State retirement payments include teachers' retirement costs for certain board of education, community college, and library employees. Assumed functions include State appropriations for the Baltimore City Community College, the Baltimore City Pretrial Complex, and the Baltimore City Central Booking and Intake Facility.

The amounts shown for each county include State grants to the municipalities located within the county. Some State aid is excluded from the balance sheet including \$67.4 million that could not easily be allocated by county and \$206.8 million in transportation grants that are funded with revenues that cannot be allocated by county and, thus, are excluded from the revenue portion of *The Balance Sheet*. These programs account for 2.8% of total State aid to local governments in fiscal 2017. This percentage is low, due primarily to a significant reduction in highway user revenues to local governments after fiscal 2008. **Exhibit 2.1** shows the programs and the amount of State aid excluded from *The Balance Sheet* analysis. **Exhibit 2.2** compares total State aid in fiscal 2017 with the amount of State aid allocated to the counties in *The Balance Sheet* analysis. **Exhibit 2.3** shows the allocation of State aid by governmental entity.

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**Exhibit 2.1**  
**State Aid Programs Excluded from *The Balance Sheet***  
**(\$ in Millions)**

	<u><b>FY 2007</b></u>	<u><b>FY 2012</b></u>	<u><b>FY 2017</b></u>
Highway User Revenues	\$554.9	\$147.1	\$175.1
Elderly/Disabled Transportation	4.2	3.3	5.2
Para-transit Services	3.1	2.9	1.5
County Capital Grants	0.0	0.0	6.0
Municipal Capital Grants	0.0	0.0	19.0
<b>Total</b>	<b>\$562.1</b>	<b>\$153.3</b>	<b>\$206.8</b>
Percent of State Aid	9.7%	2.3%	2.8%

Source: Department of Legislative Services

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**Exhibit 2.2**  
**Comparison of Total State Aid with the**  
**Amount of State Aid Allocated in *The Balance Sheet***  
**Fiscal 2017**

County	Total State Aid		State Aid in Balance Sheet		Percent of Total State Aid
	Amount	Per Capita	Amount	Per Capita	
Allegany	\$111,826,960	\$1,549	\$109,840,025	\$1,521	98.2%
Anne Arundel	505,005,817	888	500,084,718	879	99.0%
Baltimore City	1,390,565,671	2,254	1,247,733,852	2,022	89.7%
Baltimore	816,166,882	982	811,049,505	975	99.4%
Calvert	107,443,400	1,179	106,180,724	1,166	98.8%
Caroline	64,295,048	1,955	63,366,200	1,927	98.6%
Carroll	174,937,450	1,047	171,937,019	1,029	98.3%
Cecil	136,415,599	1,328	134,790,599	1,312	98.8%
Charles	211,693,440	1,345	210,117,310	1,335	99.3%
Dorchester	51,225,865	1,588	50,004,886	1,550	97.6%
Frederick	293,063,309	1,182	288,455,367	1,164	98.4%
Garrett	35,127,614	1,197	33,981,706	1,158	96.7%
Harford	261,251,647	1,043	258,197,954	1,031	98.8%
Howard	335,943,558	1,060	333,695,509	1,053	99.3%
Kent	14,042,541	714	13,505,420	687	96.2%
Montgomery	928,532,692	886	919,679,536	877	99.0%
Prince George's	1,340,392,627	1,471	1,329,686,031	1,459	99.2%
Queen Anne's	45,711,764	930	44,801,446	911	98.0%
St. Mary's	123,025,106	1,100	121,746,379	1,089	99.0%
Somerset	40,881,998	1,583	40,248,285	1,558	98.4%
Talbot	23,545,313	633	22,025,734	592	93.5%
Washington	207,276,130	1,384	204,454,577	1,365	98.6%
Wicomico	175,977,975	1,715	173,442,299	1,691	98.6%
Worcester	37,206,652	722	35,714,170	693	96.0%
Unallocated	67,448,400	11	0	0	
<b>Total</b>	<b>\$7,499,003,458</b>	<b>\$1,245</b>	<b>\$7,224,739,251</b>	<b>\$1,199</b>	<b>96.3%</b>

Source: Department of Legislative Services

**Exhibit 2.3**  
**Direct State Aid and Payments-on-behalf**  
**Fiscal 2017**

<b>County</b>	<b>Education</b>	<b>Libraries</b>	<b>Community Colleges</b>	<b>Health</b>	<b>County/ Municipal</b>	<b>Retirement Payments</b>	<b>Assumed Functions</b>	<b>Total</b>
Allegany	\$79,279,228	\$761,503	\$6,577,334	\$1,407,995	\$12,056,141	\$9,757,824	\$0	\$109,840,025
Anne Arundel	353,921,657	2,193,667	31,000,582	4,170,821	35,237,985	73,560,006	0	500,084,718
Baltimore City	874,320,823	6,143,745	0	8,218,630	123,322,766	72,581,689	163,146,199	1,247,733,852
Baltimore	639,242,925	5,686,850	43,373,413	5,421,144	18,738,131	98,587,042	0	811,049,505
Calvert	82,815,653	425,036	2,662,383	602,595	3,870,381	15,804,676	0	106,180,724
Caroline	52,270,591	285,527	1,582,063	725,829	3,488,032	5,014,158	0	63,366,200
Carroll	135,707,034	956,210	8,621,365	1,667,149	2,225,156	22,760,105	0	171,937,019
Cecil	106,115,803	763,342	6,140,082	1,123,764	5,935,953	14,711,655	0	134,790,599
Charles	167,854,204	1,010,650	9,266,000	1,453,079	6,189,005	24,344,372	0	210,117,310
Dorchester	40,644,971	272,165	1,236,693	620,986	3,074,019	4,156,052	0	50,004,886
Frederick	233,381,909	1,386,654	10,537,989	2,033,245	4,346,616	36,768,954	0	288,455,367
Garrett	22,233,872	141,757	3,888,314	639,306	3,168,662	3,909,795	0	33,981,706
Harford	206,517,020	1,534,684	12,020,945	2,308,603	3,652,897	32,163,805	0	258,197,954
Howard	240,479,993	899,398	19,320,267	1,733,685	5,862,747	65,399,419	0	333,695,509
Kent	9,716,033	86,094	548,259	546,006	593,758	2,015,270	0	13,505,420
Montgomery	664,329,975	2,996,540	49,304,438	3,967,534	19,366,562	179,714,487	0	919,679,536
Prince George's	1,091,055,485	7,238,702	30,431,455	6,335,996	71,083,555	123,540,838	0	1,329,686,031
Queen Anne's	34,397,296	156,637	1,969,206	574,849	824,988	6,878,470	0	44,801,446
St. Mary's	101,571,685	665,666	2,917,382	1,064,771	1,275,951	14,250,924	0	121,746,379
Somerset	29,244,329	276,509	871,933	578,533	6,279,721	2,997,260	0	40,248,285
Talbot	13,696,895	109,466	1,739,775	485,995	1,967,963	4,025,640	0	22,025,734
Washington	168,420,542	1,237,921	9,371,009	1,797,019	3,713,225	19,914,861	0	204,454,577
Wicomico	140,886,247	1,000,666	5,055,529	1,307,152	11,469,959	13,722,746	0	173,442,299
Worcester	19,524,878	150,271	2,236,916	703,788	5,410,422	7,687,895	0	35,714,170
<b>Total</b>	<b>\$5,507,629,048</b>	<b>\$36,379,660</b>	<b>\$260,673,332</b>	<b>\$49,488,474</b>	<b>\$353,154,595</b>	<b>\$854,267,943</b>	<b>\$163,146,199</b>	<b>\$7,224,739,251</b>

Note: County/Municipal category excludes funding for transportation grants and Highway User Revenues. Assumed Functions includes State expenditures for the Baltimore City Detention Center, the Central Booking Facility, and the Baltimore City Community College.

Source: Department of Legislative Services

## Chapter 3. Allocation of State Revenues

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### Introduction

*The Balance Sheet* analysis accounts for a majority of State tax revenues. Major State tax revenues excluded from this analysis include motor vehicle fuel taxes, titling taxes, and corporate income taxes accruing to the Transportation Trust Fund. Point-of-collection data is currently unavailable for these revenue sources.

### Revenue Allocation

*The Balance Sheet* allocates State tax revenues among local governments based on five methods: point of collection; county sales; population; utility revenues; and vehicle registration. As shown in **Exhibit 3.1**, most revenues (income, sales, property, transfer, and death taxes) are reported at the point of collection on a county-by-county basis. In the event that point-of-collection revenue data by county is not available, revenues are allocated by using county-by-county receipts, sales, or population. Revenues from the tax on gross receipts of utilities are allocated on the basis of revenues earned by utility companies in each county. Revenues from beer, wine, and liquor taxes and the State lottery are allocated on the basis of sales. The corporate income tax, tobacco tax, insurance tax, abandoned property revenues, corporate filing fees, horse racing tax, gaming revenues, revenues from new electronic bingo and tip jars, and tax on the net earnings of financial institutions and savings banks are allocated on the basis of county population. The Medevac surcharge is allocated based on the number of vehicle registrations in each county. **Exhibit 3.2** shows the allocation of State revenues by county in fiscal 2017.

**Exhibit 3.1**  
**Allocation Basis for State Tax Revenues**

**Percent of Total Taxes Allocated**

	<u><b>FY 2007</b></u>	<u><b>FY 2012</b></u>	<u><b>FY 2017</b></u>
<b>Point of Collection</b>			
Individual Income Tax	50.7%	48.1%	50.2%
Sales Tax	26.2%	27.7%	25.7%
Property Tax	4.3%	5.3%	4.4%
Transfer Tax	1.6%	0.8%	1.2%
Death Taxes	1.7%	1.5%	1.4%
<i>Subtotal</i>	<i>84.6%</i>	<i>83.3%</i>	<i>82.8%</i>
<b>County Sales</b>			
Net Lottery Receipts	3.6%	3.6%	2.7%
Liquor Tax	0.1%	0.1%	0.1%
Beer Tax	0.1%	0.1%	0.0%
Wine Tax	< 0.1%	< 0.1%	< 0.1%
<i>Subtotal</i>	<i>3.8%</i>	<i>3.8%</i>	<i>2.9%</i>
<b>Utility Revenues</b>			
Gross Receipts Tax	1.0%	0.9%	0.8%
<b>Population</b>			
Corporate Income Tax	4.5%	4.7%	4.7%
Tobacco Tax	2.1%	2.8%	2.1%
Insurance Tax	2.5%	2.1%	1.9%
Abandoned Property	0.5%	0.5%	0.5%
Corporate Filing Fees	0.5%	0.5%	0.5%
Gaming Revenues	0.0%	0.9%	3.3%
Electronic Bingo/Tip Jars	0.0%	0.1%	0.0%
Horse Racing Tax	< 0.1%	< 0.1%	< 0.1%
Net Earnings Tax	0.0%	0.0%	0.0%
<i>Subtotal</i>	<i>10.2%</i>	<i>11.6%</i>	<i>13.2%</i>
<b>Vehicle Registration</b>			
Medevac Surcharge	0.4%	0.3%	0.4%
<b>Total Taxes Allocated</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Department of Legislative Services

**Exhibit 3.2**  
**Allocation of State Revenues**  
**Fiscal 2017**

County	Individual Income Tax	Corporate Income Tax	Gross Receipts Tax	Net Earnings Tax	Sales Tax	Insurance Tax	Transfer Tax
Allegany	\$49,289,839	\$10,253,882	\$2,009,009	\$0	\$56,801,051	\$4,071,683	\$708,370
Anne Arundel	1,015,459,776	80,804,466	13,024,950	0	530,763,089	32,086,399	24,488,135
Baltimore City	532,195,175	87,627,983	16,089,700	0	450,807,704	34,795,929	14,142,708
Baltimore	1,266,940,152	118,090,084	19,806,277	0	702,648,107	46,892,031	23,058,014
Calvert	142,896,060	12,939,003	1,624,682	0	49,229,577	5,137,909	3,239,986
Caroline	24,911,580	4,671,017	868,231	0	12,749,838	1,854,800	504,449
Carroll	272,333,032	23,739,284	3,464,622	0	122,576,732	9,426,560	4,750,827
Cecil	85,402,903	14,586,862	2,493,510	0	46,254,192	5,792,253	1,918,941
Charles	205,184,312	22,360,150	2,823,347	0	127,208,788	8,878,924	5,387,371
Dorchester	24,607,312	4,582,957	964,209	0	18,405,098	1,819,833	802,812
Frederick	393,673,380	35,207,116	7,040,594	0	197,991,197	13,980,287	10,530,766
Garrett	24,208,356	4,167,797	797,038	0	25,719,615	1,654,978	1,142,959
Harford	368,822,120	35,570,435	5,307,403	0	165,529,578	14,124,556	7,195,866
Howard	715,380,626	45,019,420	7,172,845	0	227,657,844	17,876,624	17,198,067
Kent	22,233,482	2,791,503	482,219	0	19,373,270	1,108,470	614,799
Montgomery	2,434,836,192	148,897,038	23,108,334	0	716,927,733	59,125,071	50,282,821
Prince George's	889,827,946	129,413,327	19,183,964	0	680,876,061	51,388,344	26,982,644
Queen Anne's	80,414,047	6,984,866	1,022,852	0	31,244,903	2,773,599	2,053,461
St. Mary's	152,778,047	15,884,186	1,976,197	0	67,284,771	6,307,403	2,539,403
Somerset	11,494,291	3,669,121	467,076	0	4,389,282	1,456,960	357,605
Talbot	63,851,414	5,284,171	651,212	0	51,388,759	2,098,275	2,286,723
Washington	145,925,492	21,277,864	3,127,938	0	128,217,171	8,449,162	2,701,633
Wicomico	80,538,999	14,570,387	2,620,427	0	88,300,807	5,785,710	1,682,259
Worcester	63,504,912	7,316,654	2,110,658	0	110,205,578	2,905,348	4,209,038
<b>Total</b>	<b>\$9,066,709,447</b>	<b>\$855,709,574</b>	<b>\$138,237,292</b>	<b>\$0</b>	<b>\$4,632,550,746</b>	<b>\$339,791,108</b>	<b>\$208,779,656</b>

**Exhibit 3.2 (Cont.)**  
**Allocation of State Revenues**  
**Fiscal 2017**

<b>County</b>	<b>Death Taxes</b>	<b>Liquor Tax</b>	<b>Beer Tax</b>	<b>Wine Tax</b>	<b>Tobacco Tax</b>	<b>Horse Racing Tax</b>	<b>Net Lottery Receipts</b>
Allegany	\$1,666,320	\$189,104	\$150,481	\$46,018	\$4,639,827	\$33,911	\$2,979,277
Anne Arundel	31,073,898	1,999,057	965,880	1,026,061	36,563,589	267,229	46,336,782
Baltimore City	14,804,521	2,189,769	921,699	688,334	39,651,195	289,795	69,388,215
Baltimore	51,399,736	2,529,450	1,094,381	985,887	53,435,132	390,537	78,542,685
Calvert	1,855,603	286,929	162,117	112,667	5,854,830	42,791	7,575,972
Caroline	419,400	77,175	59,312	21,375	2,113,610	15,448	2,161,747
Carroll	4,219,940	430,508	278,066	206,415	10,741,899	78,508	10,342,791
Cecil	943,672	458,367	239,791	144,450	6,600,477	48,240	6,273,483
Charles	1,965,861	497,939	195,960	118,842	10,117,848	73,947	18,293,373
Dorchester	251,873	91,559	64,707	29,658	2,073,764	15,156	2,992,704
Frederick	4,510,119	699,000	396,035	295,067	15,931,032	116,434	11,590,430
Garrett	474,324	111,241	72,343	34,405	1,885,906	13,783	902,422
Harford	7,378,305	626,647	368,721	275,738	16,095,432	117,635	17,222,736
Howard	8,109,644	757,830	318,763	409,644	20,371,047	148,884	13,437,366
Kent	1,569,522	79,194	40,193	35,544	1,263,140	9,232	1,192,513
Montgomery	95,845,186	1,687,332	894,039	1,104,502	67,375,115	492,419	53,087,758
Prince George's	8,153,263	2,484,009	1,069,239	667,286	58,558,839	427,984	101,277,283
Queen Anne's	815,215	166,306	102,081	77,886	3,160,615	23,100	3,396,722
St. Mary's	2,934,498	288,833	187,001	89,962	7,187,509	52,531	11,540,430
Somerset	200,271	38,125	32,027	12,682	1,660,258	12,134	1,803,651
Talbot	5,614,025	148,932	70,235	97,789	2,391,059	17,475	2,661,055
Washington	2,348,837	466,127	256,125	115,094	9,628,120	70,368	7,753,076
Wicomico	1,850,585	172,534	168,433	77,163	6,593,022	48,186	6,361,847
Worcester	2,573,560	422,974	252,960	125,236	3,310,747	24,197	6,718,102
<b>Total</b>	<b>\$250,978,179</b>	<b>\$16,898,941</b>	<b>\$8,360,590</b>	<b>\$6,797,704</b>	<b>\$387,204,013</b>	<b>\$2,829,924</b>	<b>\$483,832,419</b>

**Exhibit 3.2 (Cont.)**  
**Allocation of State Revenues**  
**Fiscal 2017**

<b>County</b>	<b>Electronic Bingo/ Tip jars</b>	<b>Gaming Revenues</b>	<b>Corporation Filing Fees</b>	<b>Medevac Surcharge</b>	<b>Abandoned Property</b>	<b>Property Tax</b>	<b>Total</b>
Allegany	\$106,984	\$7,228,085	\$1,064,956	\$901,285	\$1,139,416	\$4,463,463	\$147,742,962
Anne Arundel	843,077	56,960,043	8,392,257	8,055,825	8,979,030	92,030,263	1,990,119,807
Baltimore City	914,270	61,770,022	9,100,940	3,375,988	9,737,263	50,449,039	1,398,940,247
Baltimore	1,232,097	83,243,124	12,264,698	10,141,603	13,122,226	88,571,101	2,574,387,323
Calvert	135,000	9,120,860	1,343,830	1,402,208	1,437,788	13,219,994	257,617,804
Caroline	48,735	3,292,656	485,126	529,147	519,046	2,830,106	58,132,799
Carroll	247,685	16,734,108	2,465,534	2,666,203	2,637,920	20,807,524	508,148,158
Cecil	152,193	10,282,455	1,514,974	1,402,267	1,620,899	10,616,386	196,746,315
Charles	233,295	15,761,939	2,322,299	2,165,398	2,484,670	18,346,563	444,420,828
Dorchester	47,816	3,230,582	475,981	490,150	509,260	3,445,928	64,901,358
Frederick	367,335	24,817,921	3,656,570	3,472,942	3,912,231	31,292,164	759,480,620
Garrett	43,485	2,937,930	432,862	496,903	463,128	5,127,775	70,687,250
Harford	371,126	25,074,029	3,694,304	3,575,822	3,952,604	29,808,026	705,111,082
Howard	469,712	31,734,732	4,675,664	3,934,010	5,002,579	54,159,406	1,173,834,709
Kent	29,125	1,967,764	289,922	314,225	310,193	3,454,059	57,158,372
Montgomery	1,553,523	104,959,318	15,464,272	11,512,306	16,545,509	199,683,506	4,003,381,974
Prince George's	1,350,239	91,225,015	13,440,717	10,038,443	14,380,470	91,254,582	2,191,999,654
Queen Anne's	72,877	4,923,716	725,440	813,212	776,162	8,723,692	148,270,752
St. Mary's	165,728	11,196,954	1,649,713	1,640,522	1,765,058	13,807,839	299,276,585
Somerset	38,282	2,586,408	381,071	293,508	407,714	1,967,358	31,267,822
Talbot	55,133	3,724,876	548,808	631,687	587,180	9,423,567	151,532,376
Washington	222,003	14,999,023	2,209,894	2,032,018	2,364,406	13,570,530	365,734,881
Wicomico	152,021	10,270,841	1,513,263	1,317,046	1,619,068	6,631,018	230,273,617
Worcester	76,339	5,157,597	759,899	840,713	813,030	17,070,153	228,397,694
<b>Total</b>	<b>\$8,928,079</b>	<b>\$603,200,000</b>	<b>\$88,872,996</b>	<b>\$72,043,430</b>	<b>\$95,086,851</b>	<b>\$790,754,043</b>	<b>\$18,057,564,993</b>

Source: Comptroller's Office; Maryland State Lottery Agency; Department of Legislative Services





## Chapter 4. Comparability

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Fiscal 1977 was the first year for which there was a *Balance Sheet* analysis. Over the years, there have been changes in the classification and computation of State aid programs, which impacts the comparability of *The Balance Sheet* reports. This chapter summarizes these changes. In some instances the ratios in Exhibits 1.4 through 1.7, which relate direct State aid and payments-on-behalf to revenue allocations over a 10-year period, have been recomputed to improve comparability.

1. State funding of employers' Social Security contributions for county teachers and librarians, formerly classified as a payment-on-behalf, has been reclassified as direct aid. Prior to 1987, the State made the Social Security payments directly to the federal government (*i.e.*, a payment-on-behalf). From 1987 until fiscal 1994, the counties made the payments and were reimbursed by the State. Reclassifying the State Social Security payments as direct aid makes it difficult to compare the "Direct State Aid" columns in Exhibits 1.2 and 1.3 of this report to those columns in reports prior to 1989. Beginning with the 1989 *Balance Sheet* report, the ratios in Exhibits 1.4 through 1.7 have been recomputed to reflect this change.
2. The State funds various health services in the counties. They include addiction, mental health, community health, and developmentally disabled services. Both local health departments and private providers deliver the services. Prior to 1989, the health component of direct State aid included State funding of addiction and mental health services provided through the local health departments, not private organizations. Beginning in 1989, State spending for State health programs implemented at the local level has not been reported as direct State aid; therefore, the health component of direct State aid in *The Balance Sheet* includes only State aid distributed through the local health formula. This affects the comparison of the ratios in Exhibits 1.2 and 1.3 with reports published prior to fiscal 1989. Beginning with the 1989 *Balance Sheet* report, the ratios in Exhibits 1.4 through 1.7 have been recomputed to reflect this change.
3. In previous *Balance Sheet* reports, the State funding of regional libraries through the library network program was classified as State aid to the jurisdictions with regional libraries. Beginning with the fiscal 1990 published report, this funding has not been considered allocated State aid. The impact on the ratios in Exhibits 1.2 and 1.3 is minimal. Beginning with the 1990 report, the ratios in Exhibits 1.4 through 1.7 have been recomputed to reflect this change.
4. Through fiscal 1995, State debt service payments for State bonds issued to fund local construction projects for schools, jails, community colleges, and other facilities were estimated on a county-by-county basis. These estimates were included with the State-paid teachers' retirement costs as a payment-on-behalf. Beginning with fiscal 1996, these estimates are no longer available and are not included in the State aid amounts. This affects the comparability of the "Direct State Aid and Payments-on-behalf" columns in Exhibits 1.2 and 1.3 of those reports after 1995 with previous years' reports. Beginning with the 1998 *Balance Sheet* report (reports were not published for 1996 and 1997, but the ratios were computed), the ratios in Exhibits 1.4 through 1.7 have been recomputed to reflect this change.

5. Several State aid programs in which funding is provided in the Capital Budget have been excluded from the *Balance Sheet* Analysis. These programs include Program Open Space, the Aging Schools Program, and the Neighborhood Revitalization Program. State funding for these programs totaled \$49.2 million in fiscal 2017.