
Tax Capacity and Effort of Local Governments

**Presentation to the
Joint Legislative Workgroup to Study State, County, and
Municipal Fiscal Relationships**

**Department of Legislative Services
Office of Policy Analysis
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Outline

- Review ways to measure and compare the taxing ability of local governments
- Demonstrate how State aid offsets fiscal disparities among local jurisdictions
- Identify strengths and weaknesses from using tax capacity and effort indexes
- Discuss how the State currently utilizes tax capacity and effort indexes in allocating State aid

Measuring Taxing Ability of Local Governments

- **Tax Capacity Index** measures the potential tax base of a local government using State average tax rates
- **Tax Effort Index** measures the extent to which the local tax base is actually taxed
- **Combined Capacity Index** identifies the extent to which State aid offsets tax capacity differences

Tax Capacity Varies Significantly Among Local Jurisdictions

- Ability for local governments to generate revenues from their own sources varies significantly
- Per capita local wealth measures range from a low of \$51,000 in Baltimore City to a high of \$316,000 in Worcester County – the statewide average is \$121,000
- 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 85% of total local taxes

Local Wealth Calculation for Maryland Counties Fiscal 2007

County	Population	Assessable Base	Income Base	Total Wealth Amount	Per Capita Wealth Amount	Ranking
Allegany	72,415	\$2,926,109,000	\$882,357,355	\$3,808,466,355	\$52,592	23
Anne Arundel	509,037	60,826,688,000	13,414,647,707	74,241,335,707	145,847	6
Baltimore City	640,961	25,256,647,872	7,746,493,254	33,003,141,126	51,490	24
Baltimore	785,200	62,365,607,000	19,935,035,158	82,300,642,158	104,815	14
Calvert	87,536	9,742,417,000	2,025,929,765	11,768,346,765	134,440	7
Caroline	32,209	2,089,016,000	436,449,808	2,525,465,808	78,409	20
Carroll	168,180	15,453,866,000	3,695,989,939	19,149,855,939	113,865	12
Cecil	98,520	7,932,003,000	1,688,742,499	9,620,745,499	97,653	16
Charles	139,164	13,304,605,422	2,675,328,225	15,979,933,646	114,828	11
Dorchester	31,358	2,400,917,000	456,384,097	2,857,301,097	91,119	17
Frederick	221,492	22,292,911,000	5,313,895,021	27,606,806,021	124,640	10
Garrett	29,603	3,371,967,000	398,668,334	3,770,635,334	127,373	9
Harford	239,193	19,926,361,000	5,152,331,318	25,078,692,318	104,847	13
Howard	269,631	36,224,837,000	8,919,686,711	45,144,523,711	167,431	4
Kent	19,798	2,181,116,000	410,735,904	2,591,851,904	130,915	8
Montgomery	936,070	145,815,228,236	35,518,159,019	181,333,387,255	193,718	3
Prince George's	831,602	62,726,163,826	12,531,424,826	75,257,588,652	90,497	18
Queen Anne's	45,820	6,174,440,759	1,141,816,747	7,316,257,506	159,674	5
St. Mary's	98,510	8,227,293,874	1,917,354,687	10,144,648,560	102,981	15
Somerset	25,775	1,180,315,000	226,275,038	1,406,590,038	54,572	22
Talbot	36,035	6,749,460,000	1,262,632,819	8,012,092,819	222,342	2
Washington	142,984	10,114,170,858	2,376,626,404	12,490,797,262	87,358	19
Wicomico	92,096	5,617,482,000	1,450,258,483	7,067,740,483	76,743	21
Worcester	49,069	14,483,821,000	1,015,586,052	15,499,407,052	315,870	1
Total	5,602,258	\$547,383,443,846	\$130,592,809,165	\$677,976,253,011	\$121,018	

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

Property Tax Capacity Among Maryland Jurisdictions

- Property tax is the leading source of local revenues for most counties
- Per capita assessable base ranges from \$39,400 in Baltimore City to \$295,200 in Worcester County – the statewide average is \$97,700
- Using statewide average property tax rates, Baltimore City would be able to generate \$426 per capita; whereas, Worcester County would be able to generate \$3,193 per capita – the statewide average is \$1,057 per capita

Per Capita Assessable Base in Maryland Counties Fiscal 2007

County	Population	Assessable Base	Per Capita Basis	
			Amount	Ranking
Allegany	72,415	\$2,926,109,000	\$40,407	23
Anne Arundel	509,037	60,826,688,000	119,494	6
Baltimore City	640,961	25,256,647,872	39,404	24
Baltimore	785,200	62,365,607,000	79,426	16
Calvert	87,536	9,742,417,000	111,296	8
Caroline	32,209	2,089,016,000	64,858	20
Carroll	168,180	15,453,866,000	91,889	12
Cecil	98,520	7,932,003,000	80,512	15
Charles	139,164	13,304,605,422	95,604	11
Dorchester	31,358	2,400,917,000	76,565	17
Frederick	221,492	22,292,911,000	100,649	10
Garrett	29,603	3,371,967,000	113,906	7
Harford	239,193	19,926,361,000	83,307	14
Howard	269,631	36,224,837,000	134,350	5
Kent	19,798	2,181,116,000	110,169	9
Montgomery	936,070	145,815,228,236	155,774	3
Prince George's	831,602	62,726,163,826	75,428	18
Queen Anne's	45,820	6,174,440,759	134,754	4
St. Mary's	98,510	8,227,293,874	83,517	13
Somerset	25,775	1,180,315,000	45,793	22
Talbot	36,035	6,749,460,000	187,303	2
Washington	142,984	10,114,170,858	70,736	19
Wicomico	92,096	5,617,482,000	60,996	21
Worcester	49,069	14,483,821,000	295,173	1
Total	5,602,258	\$547,383,443,846	\$97,708	

**Property Tax Capacity Index
Fiscal 2007**

County	Population	Assessable Base	Property Tax Revenues	Hypothetical Yield	Per Capita Hypothetical Yield	Tax Capacity Index	Rank
Allegany	72,415	\$2,926,109,000	\$42,997,314	\$31,652,119	\$437	41	23
Anne Arundel	509,037	60,826,688,000	498,745,477	657,970,565	1,293	122	6
Baltimore City	640,961	25,256,647,872	599,447,882	273,204,598	426	40	24
Baltimore	785,200	62,365,607,000	670,130,694	674,617,261	859	81	16
Calvert	87,536	9,742,417,000	97,930,704	105,385,051	1,204	114	8
Caroline	32,209	2,089,016,000	22,191,505	22,597,170	702	66	20
Carroll	168,180	15,453,866,000	170,706,595	167,166,572	994	94	12
Cecil	98,520	7,932,003,000	88,233,807	85,801,556	871	82	15
Charles	139,164	13,304,605,422	147,115,984	143,917,728	1,034	98	11
Dorchester	31,358	2,400,917,000	29,091,034	25,971,046	828	78	17
Frederick	221,492	22,292,911,000	261,118,031	241,145,453	1,089	103	10
Garrett	29,603	3,371,967,000	35,500,698	36,475,026	1,232	117	7
Harford	239,193	19,926,361,000	237,450,469	215,546,160	901	85	14
Howard	269,631	36,224,837,000	383,894,918	391,848,993	1,453	138	5
Kent	19,798	2,181,116,000	22,912,006	23,593,429	1,192	113	9
Montgomery	936,070	145,815,228,236	1,241,699,124	1,577,303,175	1,685	159	3
Prince George's	831,602	62,726,163,826	861,441,521	678,517,453	816	77	18
Queen Anne's	45,820	6,174,440,759	48,329,866	66,789,766	1,458	138	4
St. Mary's	98,510	8,227,293,874	70,403,859	88,995,758	903	85	13
Somerset	25,775	1,180,315,000	14,201,889	12,767,628	495	47	22
Talbot	36,035	6,749,460,000	35,139,413	73,009,828	2,026	192	2
Washington	142,984	10,114,170,858	122,378,017	109,406,363	765	72	19
Wicomico	92,096	5,617,482,000	77,530,433	60,765,068	660	62	21
Worcester	49,069	14,483,821,000	142,529,991	156,673,464	3,193	302	1
Total	5,602,258	\$547,383,443,846	\$5,921,121,231	\$5,921,121,231	\$1,057	100	

Income Tax Capacity Among Maryland Jurisdictions

- Income tax is the second major source of local revenues for most counties
- Per capita net taxable income ranges from \$8,800 in Somerset County to \$38,000 in Montgomery County – the statewide average is \$23,300
- Using statewide average income tax rates, Somerset County would be able to generate \$281 per capita; whereas, Montgomery County would be able to generate \$1,216 per capita – the statewide average is \$747 per capita

**Per Capita Net Taxable Income in Maryland Counties
Fiscal 2007**

County	Population	Net Taxable Income	Per Capita Basis Amount	Ranking
Allegany	72,415	\$882,357,355	\$12,185	22
Anne Arundel	509,037	13,414,647,707	26,353	4
Baltimore City	640,961	7,746,493,254	12,086	23
Baltimore	785,200	19,935,035,158	25,388	5
Calvert	87,536	2,025,929,765	23,144	8
Caroline	32,209	436,449,808	13,551	20
Carroll	168,180	3,695,989,939	21,976	9
Cecil	98,520	1,688,742,499	17,141	15
Charles	139,164	2,675,328,225	19,224	14
Dorchester	31,358	456,384,097	14,554	19
Frederick	221,492	5,313,895,021	23,991	7
Garrett	29,603	398,668,334	13,467	21
Harford	239,193	5,152,331,318	21,540	10
Howard	269,631	8,919,686,711	33,081	3
Kent	19,798	410,735,904	20,746	11
Montgomery	936,070	35,518,159,019	37,944	1
Prince George's	831,602	12,531,424,826	15,069	18
Queen Anne's	45,820	1,141,816,747	24,920	6
St. Mary's	98,510	1,917,354,687	19,464	13
Somerset	25,775	226,275,038	8,779	24
Talbot	36,035	1,262,632,819	35,039	2
Washington	142,984	2,376,626,404	16,622	16
Wicomico	92,096	1,450,258,483	15,747	17
Worcester	49,069	1,015,586,052	20,697	12
Total	5,602,258	\$130,592,809,165	\$23,311	

**Income Tax Capacity Index
Fiscal 2007**

County	Population	Net Taxable Income	Income Tax Revenues	Hypothetical Yield	Per Capita Hypothetical Yield	Tax Capacity Index	Rank
Allegany	72,415	\$882,357,355	\$26,653,559	\$28,268,902	\$390	52	22
Anne Arundel	509,037	13,414,647,707	367,247,567	429,777,528	844	113	4
Baltimore City	640,961	7,746,493,254	239,815,606	248,181,599	387	52	23
Baltimore	785,200	19,935,035,158	607,931,998	638,677,236	813	109	5
Calvert	87,536	2,025,929,765	59,246,706	64,906,594	741	99	8
Caroline	32,209	436,449,808	11,862,904	13,982,948	434	58	20
Carroll	168,180	3,695,989,939	115,041,298	118,411,862	704	94	9
Cecil	98,520	1,688,742,499	48,946,469	54,103,812	549	74	15
Charles	139,164	2,675,328,225	81,172,609	85,711,975	616	82	14
Dorchester	31,358	456,384,097	10,672,379	14,621,601	466	62	19
Frederick	221,492	5,313,895,021	162,725,146	170,246,190	769	103	7
Garrett	29,603	398,668,334	11,205,016	12,772,508	431	58	21
Harford	239,193	5,152,331,318	166,299,410	165,070,024	690	92	10
Howard	269,631	8,919,686,711	293,306,900	285,768,287	1,060	142	3
Kent	19,798	410,735,904	11,943,420	13,159,128	665	89	11
Montgomery	936,070	35,518,159,019	1,296,884,070	1,137,928,249	1,216	163	1
Prince George's	831,602	12,531,424,826	406,157,480	401,480,896	483	65	18
Queen Anne's	45,820	1,141,816,747	35,427,299	36,581,444	798	107	6
St. Mary's	98,510	1,917,354,687	58,830,441	61,428,073	624	83	13
Somerset	25,775	226,275,038	7,217,474	7,249,384	281	38	24
Talbot	36,035	1,262,632,819	30,822,019	40,452,140	1,123	150	2
Washington	142,984	2,376,626,404	69,742,642	76,142,187	533	71	16
Wicomico	92,096	1,450,258,483	47,134,895	46,463,278	505	68	17
Worcester	49,069	1,015,586,052	17,635,811	32,537,274	663	89	12
Total	5,602,258	\$130,592,809,165	\$4,183,923,118	\$4,183,923,118	\$747	100	

Combined Property and Income Tax Capacity Measures

- Combining both property tax capacity and income tax capacity provides a more accurate measure of a jurisdiction's overall tax capacity
- Using statewide average property and income tax rates, Baltimore City would be able to generate \$767 per capita; whereas, Worcester County would be able to generate \$4,708 per capita – the statewide average is \$1,804 per capita

**Combined Tax Capacity Index
Fiscal 2007**

County	Population	Combined Wealth Base	Combined Tax Revenues	Hypothetical Yield	Per Capita Hypothetical Yield	Tax Capacity Index	Rank
Allegany	72,415	\$3,808,466,355	\$69,650,873	\$56,764,114	\$784	43	23
Anne Arundel	509,037	74,241,335,707	865,993,044	1,106,546,116	2,174	121	6
Baltimore City	640,961	33,003,141,126	839,263,488	491,902,487	767	43	24
Baltimore	785,200	82,300,642,158	1,278,062,692	1,226,667,800	1,562	87	14
Calvert	87,536	11,768,346,765	157,177,410	175,403,881	2,004	111	7
Caroline	32,209	2,525,465,808	34,054,409	37,641,354	1,169	65	20
Carroll	168,180	19,149,855,939	285,747,893	285,423,188	1,697	94	12
Cecil	98,520	9,620,745,499	137,180,276	143,394,491	1,455	81	16
Charles	139,164	15,979,933,646	228,288,593	238,176,393	1,711	95	11
Dorchester	31,358	2,857,301,097	39,763,413	42,587,265	1,358	75	17
Frederick	221,492	27,606,806,021	423,843,177	411,471,638	1,858	103	10
Garrett	29,603	3,770,635,334	46,705,714	56,200,253	1,898	105	9
Harford	239,193	25,078,692,318	403,749,879	373,790,818	1,563	87	13
Howard	269,631	45,144,523,711	677,201,818	672,866,361	2,496	138	4
Kent	19,798	2,591,851,904	34,855,426	38,630,820	1,951	108	8
Montgomery	936,070	181,333,387,255	2,538,583,194	2,702,722,864	2,887	160	3
Prince George's	831,602	75,257,588,652	1,267,599,001	1,121,693,079	1,349	75	18
Queen Anne's	45,820	7,316,257,506	83,757,165	109,046,749	2,380	132	5
St. Mary's	98,510	10,144,648,560	129,234,300	151,203,118	1,535	85	15
Somerset	25,775	1,406,590,038	21,419,363	20,964,827	813	45	22
Talbot	36,035	8,012,092,819	65,961,432	119,417,978	3,314	184	2
Washington	142,984	12,490,797,262	192,120,659	186,171,801	1,302	72	19
Wicomico	92,096	7,067,740,483	124,665,328	105,342,673	1,144	63	21
Worcester	49,069	15,499,407,052	160,165,802	231,014,280	4,708	261	1
Total	5,602,258	\$677,976,253,011	\$10,105,044,349	\$10,105,044,349	\$1,804	100	

State Aid Reduces Fiscal Disparities Among Jurisdictions

- Primary goal of many State aid programs is to reduce disparity in the revenue capacity among jurisdictions
- Nearly 70% of State aid is allocated based on local wealth, whereby less affluent jurisdictions receive relatively more funding
- State Aid to local jurisdictions significantly reduces the variations in the tax capacity among Maryland jurisdictions

**Combined Tax Capacity Index - Adjusted for State Aid
Fiscal 2007**

County	Population	Combined Wealth Base	Combined Tax Revenues	Hypothetical Yield	State Aid	Per Capita Hypothetical Yield	Tax Capacity Index	Rank
Allegany	72,415	\$3,808,466,355	\$69,650,873	\$56,764,114	\$102,311,006	\$2,197	77	23
Anne Arundel	509,037	74,241,335,707	865,993,044	1,106,546,116	374,315,396	2,909	102	9
Baltimore City	640,961	33,003,141,126	839,263,488	491,902,487	1,310,578,987	2,812	99	11
Baltimore	785,200	82,300,642,158	1,278,062,692	1,226,667,800	620,951,484	2,353	82	21
Calvert	87,536	11,768,346,765	157,177,410	175,403,881	101,794,787	3,167	111	7
Caroline	32,209	2,525,465,808	34,054,409	37,641,354	50,734,139	2,744	96	13
Carroll	168,180	19,149,855,939	285,747,893	285,423,188	169,130,619	2,703	95	14
Cecil	98,520	9,620,745,499	137,180,276	143,394,491	111,912,254	2,591	91	17
Charles	139,164	15,979,933,646	228,288,593	238,176,393	168,061,811	2,919	102	8
Dorchester	31,358	2,857,301,097	39,763,413	42,587,265	39,645,842	2,622	92	15
Frederick	221,492	27,606,806,021	423,843,177	411,471,638	224,646,905	2,872	101	10
Garrett	29,603	3,770,635,334	46,705,714	56,200,253	39,715,357	3,240	114	6
Harford	239,193	25,078,692,318	403,749,879	373,790,818	246,252,887	2,592	91	16
Howard	269,631	45,144,523,711	677,201,818	672,866,361	234,656,124	3,366	118	4
Kent	19,798	2,591,851,904	34,855,426	38,630,820	16,451,227	2,782	98	12
Montgomery	936,070	181,333,387,255	2,538,583,194	2,702,722,864	569,980,259	3,496	123	3
Prince George's	831,602	75,257,588,652	1,267,599,001	1,121,693,079	994,320,003	2,545	89	19
Queen Anne's	45,820	7,316,257,506	83,757,165	109,046,749	39,941,065	3,252	114	5
St. Mary's	98,510	10,144,648,560	129,234,300	151,203,118	102,318,167	2,574	90	18
Somerset	25,775	1,406,590,038	21,419,363	20,964,827	34,149,071	2,138	75	24
Talbot	36,035	8,012,092,819	65,961,432	119,417,978	21,706,240	3,916	137	2
Washington	142,984	12,490,797,262	192,120,659	186,171,801	149,921,311	2,351	82	22
Wicomico	92,096	7,067,740,483	124,665,328	105,342,673	117,748,272	2,422	85	20
Worcester	49,069	15,499,407,052	160,165,802	231,014,280	33,015,482	5,381	189	1
Total	5,602,258	\$677,976,253,011	\$10,105,044,349	\$10,105,044,349	\$5,874,258,695	\$2,852	100	

Tax Effort Affected by Several Factors

- Tax effort measures the extent to which the local tax base is actually taxed
- Tax effort is not a measure of what the tax level should be
- Tax effort should not be used to judge whether local governments are taxing too little or too much
- Tax effort is affected by a jurisdiction's wealth base, available revenue sources, demand for local services, tax limitation measures, acceptance of higher taxes, and fees

High and Low Wealth Jurisdictions Can Have a Relatively High Tax Effort

- Two high wealth jurisdictions (Howard and Montgomery counties) have an above average income tax effort
- Some low wealth jurisdictions (Baltimore City and Allegany, Somerset, and Washington Counties) have above average property tax effort; however, their income tax effort is either average or below average
- Wicomico County (a low wealth jurisdiction) has an above average property and income tax effort
- Caroline County (a low wealth jurisdiction) has below average property and income tax effort

**Property Tax Effort Index
Fiscal 2007**

County	Population	Assessable Base	Property Tax Revenues	Hypothetical Yield	Tax Effort Index	Rank
Allegany	72,415	\$2,926,109,000	\$42,997,314	\$31,652,119	136	2
Anne Arundel	509,037	60,826,688,000	498,745,477	657,970,565	76	22
Baltimore City	640,961	25,256,647,872	599,447,882	273,204,598	219	1
Baltimore	785,200	62,365,607,000	670,130,694	674,617,261	99	13
Calvert	87,536	9,742,417,000	97,930,704	105,385,051	93	18
Caroline	32,209	2,089,016,000	22,191,505	22,597,170	98	14
Carroll	168,180	15,453,866,000	170,706,595	167,166,572	102	12
Cecil	98,520	7,932,003,000	88,233,807	85,801,556	103	10
Charles	139,164	13,304,605,422	147,115,984	143,917,728	102	11
Dorchester	31,358	2,400,917,000	29,091,034	25,971,046	112	5
Frederick	221,492	22,292,911,000	261,118,031	241,145,453	108	9
Garrett	29,603	3,371,967,000	35,500,698	36,475,026	97	16
Harford	239,193	19,926,361,000	237,450,469	215,546,160	110	8
Howard	269,631	36,224,837,000	383,894,918	391,848,993	98	15
Kent	19,798	2,181,116,000	22,912,006	23,593,429	97	17
Montgomery	936,070	145,815,228,236	1,241,699,124	1,577,303,175	79	21
Prince George's	831,602	62,726,163,826	861,441,521	678,517,453	127	4
Queen Anne's	45,820	6,174,440,759	48,329,866	66,789,766	72	23
St. Mary's	98,510	8,227,293,874	70,403,859	88,995,758	79	20
Somerset	25,775	1,180,315,000	14,201,889	12,767,628	111	7
Talbot	36,035	6,749,460,000	35,139,413	73,009,828	48	24
Washington	142,984	10,114,170,858	122,378,017	109,406,363	112	6
Wicomico	92,096	5,617,482,000	77,530,433	60,765,068	128	3
Worcester	49,069	14,483,821,000	142,529,991	156,673,464	91	19
Total	5,602,258	\$547,383,443,846	\$5,921,121,231	\$5,921,121,231	100	

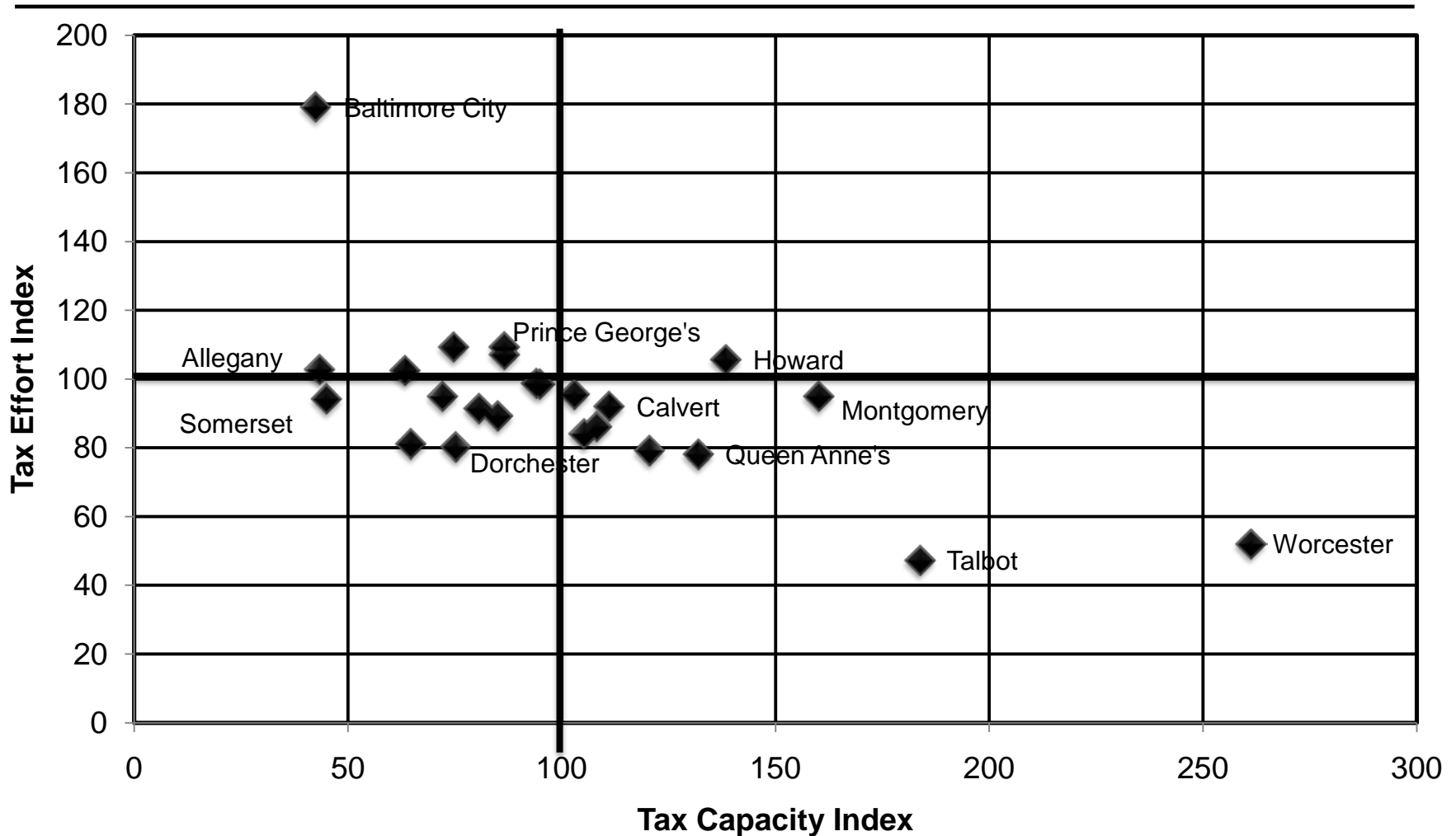
**Income Tax Effort Index
Fiscal 2007**

County	Population	Net Taxable Income	Income Tax Revenues	Hypothetical Yield	Tax Effort Index	Rank
Allegany	72,415	\$882,357,355	\$26,653,559	\$28,268,902	94	14
Anne Arundel	509,037	13,414,647,707	367,247,567	429,777,528	85	20
Baltimore City	640,961	7,746,493,254	239,815,606	248,181,599	97	9
Baltimore	785,200	19,935,035,158	607,931,998	638,677,236	95	12
Calvert	87,536	2,025,929,765	59,246,706	64,906,594	91	16
Caroline	32,209	436,449,808	11,862,904	13,982,948	85	21
Carroll	168,180	3,695,989,939	115,041,298	118,411,862	97	7
Cecil	98,520	1,688,742,499	48,946,469	54,103,812	90	18
Charles	139,164	2,675,328,225	81,172,609	85,711,975	95	13
Dorchester	31,358	456,384,097	10,672,379	14,621,601	73	23
Frederick	221,492	5,313,895,021	162,725,146	170,246,190	96	11
Garrett	29,603	398,668,334	11,205,016	12,772,508	88	19
Harford	239,193	5,152,331,318	166,299,410	165,070,024	101	5
Howard	269,631	8,919,686,711	293,306,900	285,768,287	103	2
Kent	19,798	410,735,904	11,943,420	13,159,128	91	17
Montgomery	936,070	35,518,159,019	1,296,884,070	1,137,928,249	114	1
Prince George's	831,602	12,531,424,826	406,157,480	401,480,896	101	4
Queen Anne's	45,820	1,141,816,747	35,427,299	36,581,444	97	8
St. Mary's	98,510	1,917,354,687	58,830,441	61,428,073	96	10
Somerset	25,775	226,275,038	7,217,474	7,249,384	100	6
Talbot	36,035	1,262,632,819	30,822,019	40,452,140	76	22
Washington	142,984	2,376,626,404	69,742,642	76,142,187	92	15
Wicomico	92,096	1,450,258,483	47,134,895	46,463,278	101	3
Worcester	49,069	1,015,586,052	17,635,811	32,537,274	54	24
Total	5,602,258	\$130,592,809,165	\$4,183,923,118	\$4,183,923,118	100	

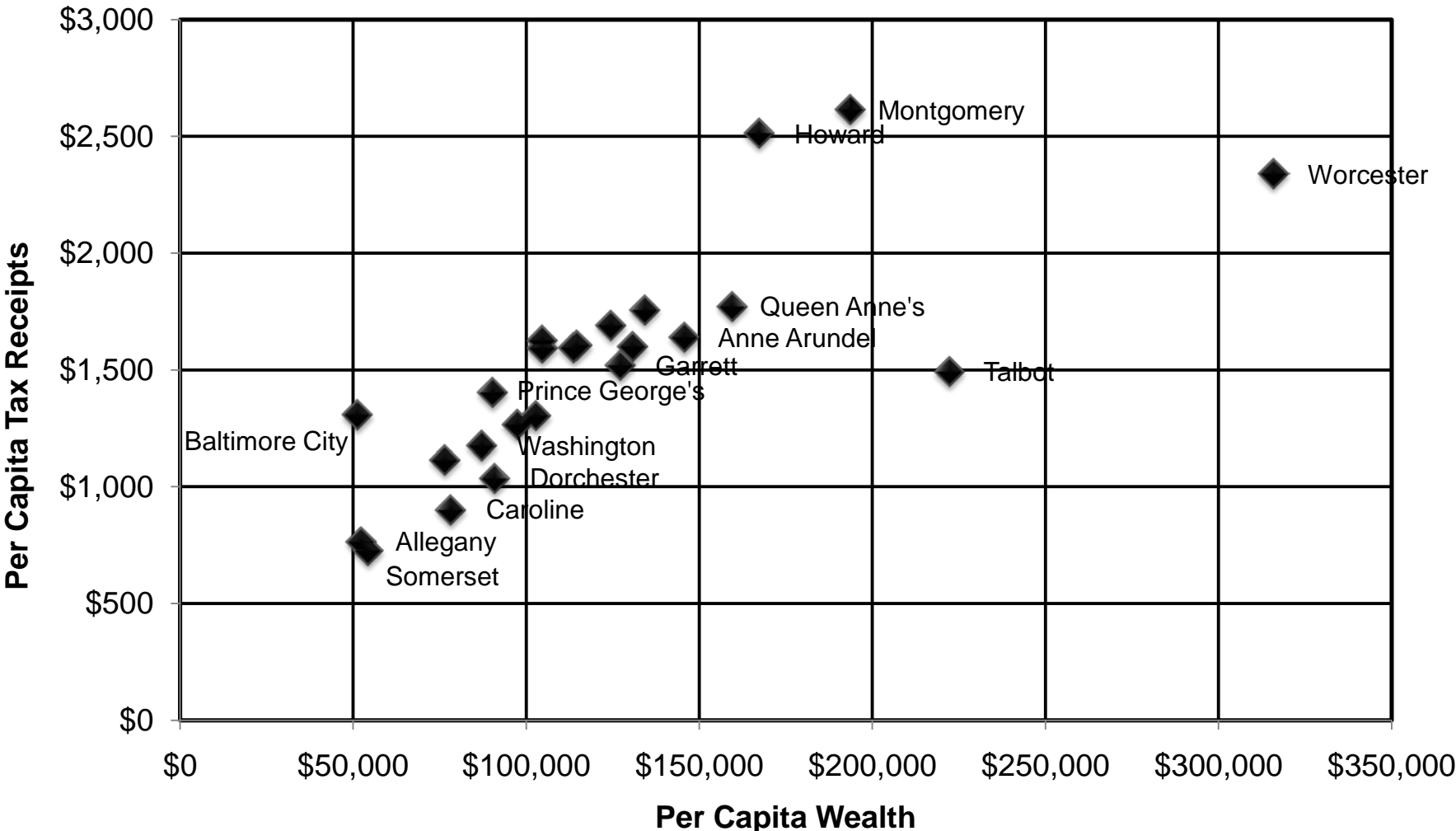
**Combined Tax Effort Index
Fiscal 2007**

County	Population	Combined Wealth Base	Combined Tax Revenues	Hypothetical Yield	Tax Effort Index	Rank
Allegany	72,415	\$3,808,466,355	\$69,650,873	\$56,764,114	123	2
Anne Arundel	509,037	74,241,335,707	865,993,044	1,106,546,116	78	21
Baltimore City	640,961	33,003,141,126	839,263,488	491,902,487	171	1
Baltimore	785,200	82,300,642,158	1,278,062,692	1,226,667,800	104	6
Calvert	87,536	11,768,346,765	157,177,410	175,403,881	90	18
Caroline	32,209	2,525,465,808	34,054,409	37,641,354	90	16
Carroll	168,180	19,149,855,939	285,747,893	285,423,188	100	11
Cecil	98,520	9,620,745,499	137,180,276	143,394,491	96	13
Charles	139,164	15,979,933,646	228,288,593	238,176,393	96	12
Dorchester	31,358	2,857,301,097	39,763,413	42,587,265	93	15
Frederick	221,492	27,606,806,021	423,843,177	411,471,638	103	8
Garrett	29,603	3,770,635,334	46,705,714	56,200,253	83	20
Harford	239,193	25,078,692,318	403,749,879	373,790,818	108	5
Howard	269,631	45,144,523,711	677,201,818	672,866,361	101	10
Kent	19,798	2,591,851,904	34,855,426	38,630,820	90	17
Montgomery	936,070	181,333,387,255	2,538,583,194	2,702,722,864	94	14
Prince George's	831,602	75,257,588,652	1,267,599,001	1,121,693,079	113	4
Queen Anne's	45,820	7,316,257,506	83,757,165	109,046,749	77	22
St. Mary's	98,510	10,144,648,560	129,234,300	151,203,118	85	19
Somerset	25,775	1,406,590,038	21,419,363	20,964,827	102	9
Talbot	36,035	8,012,092,819	65,961,432	119,417,978	55	24
Washington	142,984	12,490,797,262	192,120,659	186,171,801	103	7
Wicomico	92,096	7,067,740,483	124,665,328	105,342,673	118	3
Worcester	49,069	15,499,407,052	160,165,802	231,014,280	69	23
Total	5,602,258	\$677,976,253,011	\$10,105,044,349	\$10,105,044,349	100	

Correlation of the Tax Capacity and Tax Effort Index



Correlation of the Tax Revenues and Local Wealth



Tax Capacity and Effort Measures Have Strengths and Weaknesses

Strengths

- Reliable measure of relative trends in the fiscal well-being of a jurisdiction
- Measures can be used across all jurisdictions in the State
- Useful to gauge the level of equalization of State Aid

Weaknesses

- Ignores local demand for or acceptance of higher taxes and fees
- Not an indicator for an “ideal” revenue mix or level of taxation
- Some local revenues not included in the calculations