



State of Maryland
Board of Revenue Estimates

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Director, Bureau of
Revenue Estimates

September 21, 2015

Honorable Larry Hogan
Governor, State of Maryland
State House
Annapolis, MD 21401

Dear Governor Hogan:

The Board of Revenue Estimates submits to you revised general fund revenue estimates for fiscal year 2016 and the first official estimates for fiscal year 2017. We have reviewed the current estimate for fiscal year 2016 in light of the most recent economic data and developments, as well as revenue collections for fiscal year 2015. Based on our analysis, the Board submits a revised estimate of general fund revenues for fiscal year 2016 of \$16.404 billion and an estimate of \$17.022 billion for fiscal year 2017.

The Board and the Revenue Monitoring Committee will continue to meet and analyze revenue and economic trends in anticipation of December's estimates.

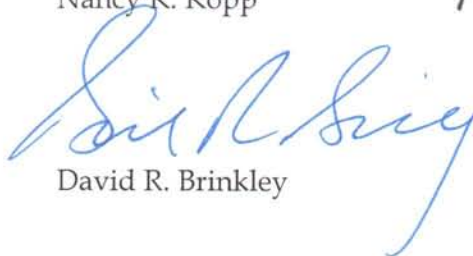
Sincerely,



Peter Franchot, Chairman



Nancy K. Kopp



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Maryland General Fund Revenues
Fiscal Years 2015 - 2017
(\$ in thousands)

| | FY 2015 | | | FY 2016 | | | | FY 2017 | |
|------------------------------------|--------------------------------|------------------|---------------|-------------------------------|--------------------|-----------------|----------|--------------------|----------|
| | Official Estimate ¹ | Actual | Difference | Current Estimate ¹ | September Revision | Difference | % Growth | September Estimate | % Growth |
| INCOME TAXES | | | | | | | | | |
| Individual | 8,168,396 | 8,346,145 | 177,748 | 8,638,367 | 8,745,252 | 106,885 | 4.8% | 9,173,311 | 4.9% |
| Corporations | <u>767,581</u> | <u>777,321</u> | <u>9,740</u> | <u>830,732</u> | <u>822,985</u> | <u>(7,747)</u> | 5.9% | <u>878,618</u> | 6.8% |
| Total | 8,935,977 | 9,123,466 | 187,489 | 9,469,099 | 9,568,237 | 99,138 | 4.9% | 10,051,929 | 5.1% |
| SALES AND USE TAXES | 4,334,793 | 4,350,726 | 15,933 | 4,543,122 | 4,543,085 | (37) | 4.4% | 4,710,126 | 3.7% |
| STATE LOTTERY RECEIPTS | 500,466 | 506,493 | 6,026 | 477,449 | 487,714 | 10,264 | -3.7% | 494,691 | 1.4% |
| OTHER REVENUES | | | | | | | | | |
| Business Franchise Taxes | 230,277 | 225,699 | (4,578) | 233,623 | 230,413 | (3,210) | 2.1% | 235,165 | 2.1% |
| Tax on Insurance Companies | 312,863 | 316,050 | 3,187 | 301,588 | 304,800 | 3,212 | -3.6% | 316,140 | 3.7% |
| Estate & Inheritance Taxes | 239,366 | 243,418 | 4,052 | 216,271 | 215,449 | (822) | -11.5% | 199,856 | -7.2% |
| Tobacco Tax | 393,221 | 391,463 | (1,758) | 391,595 | 388,889 | (2,706) | -0.7% | 387,115 | -0.5% |
| Alcoholic Beverages Excises | 31,624 | 31,306 | (317) | 31,588 | 31,245 | (344) | -0.2% | 31,358 | 0.4% |
| Motor Vehicle Fuel Tax | 5,000 | 5,000 | - | 4,625 | 4,625 | - | -7.5% | - | -100.0% |
| District Courts | 78,524 | 77,702 | (822) | 78,844 | 77,718 | (1,126) | 0.0% | 77,619 | -0.1% |
| Clerks of Court | 36,607 | 34,433 | (2,175) | 35,390 | 36,671 | 1,282 | 6.5% | 38,456 | 4.9% |
| Hospital Patient Recoveries | 63,288 | 65,182 | 1,894 | 63,265 | 63,265 | - | -2.9% | 63,265 | 0.0% |
| Interest on Investments | 20,361 | 10,709 | (9,652) | 31,199 | 11,000 | (20,199) | 2.7% | 20,000 | 81.8% |
| Miscellaneous | <u>381,891</u> | <u>396,728</u> | <u>14,837</u> | <u>330,228</u> | <u>325,392</u> | <u>(4,836)</u> | -18.0% | <u>313,283</u> | -3.7% |
| Total | <u>1,793,023</u> | <u>1,797,690</u> | <u>4,666</u> | <u>1,718,216</u> | <u>1,689,466</u> | <u>(28,749)</u> | -6.0% | <u>1,682,256</u> | -0.4% |
| TOTAL CURRENT REVENUES | 15,564,260 | 15,778,374 | 214,114 | 16,207,886 | 16,288,502 | 80,616 | 3.2% | 16,939,002 | 4.0% |
| Transfer Tax Revenues ² | <u>144,189</u> | <u>144,189</u> | <u>-</u> | <u>115,367</u> | <u>115,367</u> | <u>-</u> | -20.0% | <u>82,771</u> | -28.3% |
| GRAND TOTAL | 15,708,449 | 15,922,563 | 214,114 | 16,323,253 | 16,403,869 | 80,616 | 3.0% | 17,021,773 | 3.8% |

¹ The 2015 Legislative Session resulted in an additional \$16.6 million and \$78.1 million in estimated revenues beyond the March 2015 official estimates for fiscal years 2015 and 2016, respectively; this table has been adjusted accordingly

² The Tax Property Article §13-209 has been altered across several legislative sessions so as to provide various distributions to the general fund