



State of Maryland

Board of Revenue Estimates

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Director, Bureau of
Revenue Estimates

September 24, 2018

Honorable Lawrence J. Hogan Jr.
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 2019 and the first official estimates for fiscal year 2020. We have reviewed the current estimate for fiscal year 2019 in light of the most recent economic data and developments, as well as revenue collections for fiscal year 2018. Based on our analysis, the Board submits a revised estimate of general fund revenues for fiscal year 2019 of \$18.088 billion and an estimate of \$18.678 billion for fiscal year 2020.

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

Respectfully yours,

Peter Franchot, Chairman

Nancy K. Kopp

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Maryland General Fund Revenues
Fiscal Years 2018 - 2020
(\$ in thousands)

	FY 2018			FY 2019				FY 2020	
	Official Estimate ¹	Actual	Difference	Current Estimate ¹	September Revision	Difference	% Growth	September Estimate	% Growth
INCOME TAXES									
Individual	9,289,072	9,507,776	218,704	10,071,824	10,249,575	177,751	7.8%	10,594,570	3.4%
Corporations	815,083	820,401	5,318	925,218	936,958	11,740	14.2%	943,432	0.7%
Total	10,104,156	10,328,177	224,022	10,997,042	11,186,533	189,491	8.3%	11,538,002	3.1%
SALES AND USE TAXES									
	4,611,658	4,645,756	34,097	4,750,875	4,863,056	112,181	4.7%	5,026,412	3.4%
STATE LOTTERY RECEIPTS									
	518,374	534,598	16,224	526,694	528,581	1,887	-1.1%	539,264	2.0%
OTHER REVENUES									
Business Franchise Taxes	234,067	245,946	11,878	234,700	245,550	10,850	-0.2%	212,709	-13.4%
Tax on Insurance Companies	326,341	386,427	60,086	349,984	377,456	27,473	-2.3%	396,861	5.1%
Estate & Inheritance Taxes	216,365	214,383	(1,982)	186,286	183,988	(2,298)	-14.2%	167,160	-9.1%
Tobacco Tax	381,556	372,735	(8,821)	378,333	374,563	(3,770)	0.5%	363,169	-3.0%
Alcoholic Beverages Excises	31,856	32,032	176	31,944	32,163	219	0.4%	32,294	0.4%
District Courts	62,095	62,990	895	58,871	58,671	(199)	-6.9%	58,184	-0.8%
Clerks of Court	34,354	31,765	(2,589)	33,940	32,308	(1,632)	1.7%	32,740	1.3%
Hospital Patient Recoveries	68,258	69,803	1,544	63,621	63,621	-	-8.9%	63,621	0.0%
Interest on Investments	35,000	32,001	(2,999)	47,250	37,000	(10,250)	15.6%	40,000	8.1%
Miscellaneous	348,225	354,513	6,288	303,443	304,736	1,293	-14.0%	301,065	-1.2%
Total	1,738,119	1,802,595	64,477	1,688,371	1,710,056	21,685	-5.1%	1,667,804	-2.5%
TOTAL CURRENT REVENUES									
	16,972,307	17,311,127	338,820	17,962,982	18,288,225	325,243	5.6%	18,771,482	2.6%
Extraordinary Revenues 2	14,819	15,337	518	-	-	-	-	-	-
Transfer Tax Revenues 3	46,028	46,028	-	-	-	-	-	-	-
Excellence in Education Fund 4	-	-	-	(200,000)	(200,000)	-	-	-	-
Revenue Volatility Cap 5	-	-	-	-	-	-	-	(93,857)	-
GRAND TOTAL									
	17,033,154	17,372,492	339,338	17,762,982	18,088,225	325,243	4.1%	18,677,625	3.3%

¹ The 2018 Legislative Session resulted in revenue adjustments beyond the March 2018 official estimate; this table has been adjusted accordingly

² The 2017 BRFA diverted VLT revenue dedicated to the SMWOB Account to the General Fund for FY 2018. In FY 2019 and 2020, that money will be distributed to the Education Trust Fund

³ The Tax Property Article §13-209 has been altered across several legislative sessions so as to provide various distributions to the general fund

⁴ The 2018 BRFA diverted \$200M from individual income tax revenues to the Commission on Innovation and Excellence in Education Fund

⁵ Established by Chapters 4 & 550 of the 2017 Legislative Session and amended by the 2018 BRFA