September 29, 2022

Honorable Lawrence J. Hogan Jr.
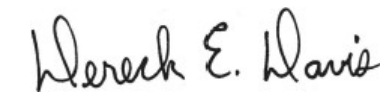Governor, State of Maryland
State House
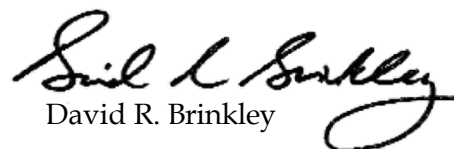Annapolis, MD 21401

Dear Governor Hogan:

The Board of Revenue Estimates submits to you revised general fund revenue estimates for fiscal year 2023 and the first official estimates for fiscal year 2024. We have reviewed the current estimate for fiscal year 2023 in light of the most recent economic data and revenue collections for fiscal year 2022. Based on our analysis, the Board submits a revised estimate of general fund revenues for fiscal year 2023 of $23.683 billion and an estimate of $25.257 billion for fiscal year 2024.

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

Dereck E. Davis

David R. Brinkley

Maryland General Fund Revenues
Fiscal Years 2022 - 2024
($ in thousands)

	FY 2022			FY 2023				FY 2024	
	Official Estimate[1]	Actual	Difference	Current Estimate[1]	September Revision	Difference	% Growth	September Estimate	% Growth
INCOME TAXES									
Individual	12,537,593	13,548,045	1,010,452	13,125,770	14,091,877	966,107	4.0%	14,846,299	5.4%
Corporations	1,606,435	1,700,268	93,832	1,661,123	1,477,464	(183,659)	-13.1%	1,622,505	9.8%
Total	14,144,028	15,248,313	1,104,284	14,786,893	15,569,341	782,448	2.1%	16,468,804	5.8%
SALES AND USE TAXES	5,698,831	5,966,843	268,012	5,782,402	6,150,168	367,766	3.1%	6,194,835	0.7%
STATE LOTTERY RECEIPTS	647,263	635,075	(12,188)	629,051	650,458	21,407	2.4%	650,386	0.0%
OTHER REVENUES									
Business Franchise Taxes	244,484	264,443	19,958	212,708	219,156	6,448	-17.1%	223,039	1.8%
Insurance Premium Tax	567,602	631,380	63,778	585,590	607,272	21,682	-3.8%	623,013	2.6%
Estate & Inheritance Taxes	214,330	266,055	51,725	225,071	250,427	25,356	-5.9%	231,055	-7.7%
Tobacco Taxes	532,719	479,158	(53,562)	519,667	482,248	(37,419)	0.6%	437,477	-9.3%
Alcoholic Beverages Excises	33,621	39,076	5,456	32,326	33,688	1,362	-13.8%	33,970	0.8%
District Courts	43,757	41,256	(2,500)	48,767	46,948	(1,819)	13.8%	45,813	-2.4%
Clerks of Court	71,084	36,893	(34,191)	34,822	33,304	(1,518)	-9.7%	33,178	-0.4%
Hospital Patient Recoveries	60,142	68,829	8,687	61,715	62,300	585	-9.5%	63,200	1.4%
Interest on Investments	15,000	48,978	33,978	20,000	75,000	55,000	53.1%	50,000	-33.3%
Miscellaneous	311,403	331,920	20,516	400,044	403,082	3,038	21.4%	321,864	-20.1%
Total	2,094,143	2,207,988	113,845	2,140,710	2,213,424	72,714	0.2%	2,062,611	-6.8%
TOTAL CURRENT REVENUES	22,584,265	24,058,218	1,473,953	23,339,056	24,583,391	1,244,335	2.2%	25,376,636	3.2%
Extraordinary Revenues [2]	-	16,311	16,311	-	-	-		-	
Rental Housing Fund [3]	(30,000)	(30,000)	-	-	-	-		-	
Blueprint for Maryland's Future Fund [4]	-	-	-	(800,000)	(800,000)	-		-	
Revenue Volatility Cap [5]	(80,000)	-	80,000	(100,000)	(100,000)	-		(120,000)	
GRAND TOTAL [6]	22,474,265	24,044,529	1,570,264	22,439,056	23,683,391	1,244,335	-1.5%	25,256,636	6.6%

[1] The 2022 Legislative Session resulted in revenue adjustments beyond the March 2022 official estimate; this table has been adjusted accordingly

[2] Amount reflects a payment to the General Fund from the Maryland Technology Development Corporation (TEDCO).

[3] Chapters 336 & 337 of 2022 diverted $30 million from individual income tax revenues to the Rental Housing Fund.

[4] Chapter 33 of 2022 diverts $800 million from individual income tax revenues to the Blueprint Fund.

[5] Established by Chapters 4 & 550 of 2017 and amended by several succeeding Budget Reconciliation And Financing Acts.

[6] In FY 2022, $870.3 million of specified income tax revenues was transferred to the Rainy Day Fund and Fiscal Responsibility Fund per the requirements of the Revenue Volatility Cap.