

THE WEEKLY WHIP

TUESDAY, OCTOBER 2, 2007

CORPORATE INCOME TAX RATES MARYLAND AND SURROUNDING STATES

STATE	TAX RATE
Pennsylvania	9.99%
Washington, DC	9.975%
New Jersey	9.0%
West Virginia	8.75%
Delaware	8.7%
Maryland	7.0%
North Carolina	6.9%
Virginia	6.0%

FEATURES OF INDIVIDUAL INCOME TAX MARYLAND AND SURROUNDING STATES

STATE	TOP STATE TAX RATE	TOP TAX BRACKET	LOCAL TAXES
Pennsylvania	3.07%	Applicable to all income	Widely imposed from 1% - 4.5%
Maryland	4.75%	>\$3,000	Statewide from 1% to 3.2%
Virginia	5.75%	>\$17,000	None
Delaware	5.95%	>\$60,000	Wilmington – 1.25%
West Virginia	6.5%	>\$60,000	None
North Carolina	8.25%	>\$120,000 (single) >\$200,000 (married)	None
Washington, DC	8.7%	>\$40,000	N/A
New Jersey	8.97%	>\$500,000	Newark - 1% employer payroll tax

MARYLAND'S TAX REVENUE IN CONTEXT

This chart puts Maryland's tax revenue in context compared to other states. The 2nd column is where Maryland ranks on a per capita basis, and the 3rd column is where Maryland ranks as a percentage of personal income.

TYPE OF TAX	PER CAPITA	ADJUSTED FOR INCOME
Property tax	28 th	41 st
Personal income tax	3 rd	3 rd
Corporate income tax	15 th	28 th
Sales tax	43 rd	45 th
License fees	43 rd	47 th
TOTAL TAX REVENUE	9th	36th

HOW MARYLAND COMPARES MARYLAND STATE & LOCAL SPENDING COMPARISON TO SELECTED STATES

STATE	SPENDING PER CAPITA	SPENDING PER CAPITA RANK	SPENDING AS % OF INCOME	PER CAPITA INCOME RANK
<i>Maryland</i>	<i>\$6,810</i>	<i>31</i>	<i>51</i>	<i>5</i>
Delaware	\$8,480	6	17	12
Virginia	\$6,442	37	48	9
Pennsylvania	\$7,369	17	30	19
New Jersey	\$7,968	10	46	3
Connecticut	\$7,730	14	50	2
Massachusetts	\$8,379	7	39	4
North Carolina	\$6,575	34	28	35
National Average	\$7,341			

Source: State & Local Government Finances, U.S. Census Bureau (June 2007)

MAJOR FEATURES OF STATE SALES TAXES MARYLAND AND SURROUNDING STATES

STATE	% TAX RATE	FOOD	PRESCRIPTIONS	LOCAL SALES TAX
Virginia	4%	1.5%	Exempt	Yes – 1%
North Carolina	4.25%	Exempt	Exempt	Yes – 2.5% to 3%
<i>Maryland</i>	<i>5%</i>	<i>Exempt</i>	<i>Exempt</i>	<i>No</i>
Washington, DC	5.75%	Exempt	Exempt	N/A
Pennsylvania	6%	Exempt	Exempt	Yes – 1% in Philadelphia and Allegheny Counties
West Virginia	6%	4%	Exempt	No
New Jersey	7%	Exempt	Exempt	No

HOW MARYLAND COMPARES SELECTED INDICATORS

Medicaid Eligibility

Children / Pregnant Women – ranks 2nd (2006)

Working Adults – ranks 42nd (2006)

Primary/Secondary Education

Revenue per student – ranks 15th (2005)

Average teacher salaries – ranks 12th (2005)

Medicaid Physician Rates – ranks 16th (2003)

Cash Assistance Benefits – ranks 18th (2003)

State/Local government employment per 10,000 population – ranks 40th (2006)