

# Tax Facts & Comparisons Maryland

Taxes are complicated. Each state's tax code is a multifaceted system with many moving parts, and Maryland is no exception. The Tax Foundation produces a number of rankings that evaluate states on tax structures and overall tax burdens. Here's how Maryland scores.



## Tax Foundation Rankings of Maryland

### State Business Tax Climate Index

40<sup>th</sup>  
best

Maryland ranks 40th out of the 50 states on the Tax Foundation's 2014 *State Business Tax Climate Index*, which annually compares the states' tax systems on over 100 variables that impact business. Last year, Maryland ranked 41st.

Maryland's individual income tax ranks 45th best, its corporate income tax ranks 16th best, its sales tax ranks 8th best, its property tax ranks 41st best, and its unemployment insurance tax ranks 21st best.

Neighboring states' ranks: Delaware (14th), Pennsylvania (34th), West Virginia (21st), Virginia (27th)

### State-Local Tax Burdens Rank

7<sup>th</sup>  
highest

Estimated at 10.6% of income, Maryland's 2011 state-local tax burden ranks 7th highest nationally, above the national average of 9.8%. Maryland taxpayers pay \$5,598 per capita in state and local taxes.

Neighboring states' ranks: Delaware (15th), Pennsylvania (10th), West Virginia (19th), Virginia (30th)

### Tax Freedom Day®

2015  
May  
2

In 2014, Maryland taxpayers worked 122 days into the year until May 2 to pay their total tax bill, ranking 45th highest nationally.

That's 8 days after national Tax Freedom Day (April 21), the day when Americans finally have earned enough money to pay their total tax bill for the year.

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# Maryland Taxes at a Glance

Each state uses a variety of tax tools to raise revenue, including individual income taxes, property taxes, and sales taxes, among others. Here are some facts on how Maryland structures their different tax types:

Note: All collections listed on this page are combined state and local tax collections as reported by the Census Bureau's Government Finance Division. For all ranks, 1 indicates highest among the 50 states.

## General Info

		Rank	Nat. Avg.
Income per capita	\$52,805	4th	\$43,735
Federal aid as % of gen. revenue	29%	33rd	32.8%
State debt per capita	\$7,865	25th	\$3,678

## Individual Income Tax

Number of brackets	8
Bottom income bracket rate	2.00%
Bottom bracket kick In	\$0
Top income tax rate	5.75%
Top bracket kick in	\$250,000
Collections per capita (2012)	\$1,958
Collections rank (2012)	3rd

## Property Tax

Collections per capita (2012)	\$1,374
Collections rank (2012)	19th
Property taxes paid as share of owner-occupied housing value (2013)	1.10%
Property taxes paid percent rank (2013)	22nd

## Sources of State & Local Tax Collections

	Maryland	All States.
Property Tax	27%	32%
Sales Tax	14%	23%
Corporate Income Tax	3%	4%
Individual Income Tax	38%	22%
Other	19%	20%

## Corporate Income Tax

Number of brackets	1
Top corporate tax rate	8.25%
Collections per capita (2012)	\$150
Collections rank (2012)	18th

## Sales Tax

State rate	6.00%
State + average local rate	6.00%
State + average local rank	37th
Collections per capita (2011)	\$695
Collections rank (2011)	42nd

## Excise Taxes

	Rate	Rank
Gasoline taxes and fees	30.3¢ per gallon	16th
Cigarette taxes	\$2.00 per pack	11th
Spirits taxes	\$4.62 per gallon	32nd
Beer taxes	\$0.49 per gallon	9th
Cell phone taxes	12.37%	13th

## Other Taxes

	Rate	Exemption
Gross receipts tax	None	N/A
Capital stock tax	None	N/A
Inheritance tax	0% - 10%	Variable
Estate tax	16%	\$1,500,000

## About the Tax Foundation



The Tax Foundation is the nation's leading independent tax policy research organization. Since 1937, our principled research, insightful analysis, and engaged experts have informed smarter tax policy at the federal, state, and local levels. Our Center for

State Tax Policy is routinely relied upon for presentations, testimony, and media appearances on state tax and fiscal policy, and our website is a comprehensive resource for information on tax and spending policy in each U.S. state.

More at [taxfoundation.org](http://taxfoundation.org)