



State of Maryland Board of Revenue Estimates

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Members

Hon. Peter Franchot
State Comptroller

Hon. Nancy K. Kopp
State Treasurer

Hon. David R. Brinkley
Secretary, Department of
Budget and Management

Acting Executive
Secretary, David Farkas
Director, Bureau of
Revenue Estimates

September 29, 2020

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 2021 and the first official estimates for fiscal year 2022. We have reviewed the current estimate for fiscal year 2021 in light of the most recent economic data and revenue collections for fiscal year 2020. Based on our analysis, the Board submits a revised estimate of general fund revenues for fiscal year 2021 of \$18.710 billion and an estimate of \$19.666 billion for fiscal year 2022.

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,

Handwritten signature of Peter Franchot in black ink.

Peter Franchot, Chairman

Handwritten signature of Nancy K. Kopp in black ink.

Nancy K. Kopp

Handwritten signature of David R. Brinkley in black ink.

David R. Brinkley

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Maryland General Fund Revenues and Estimates
Fiscal Year 2020
(\$ in thousands)

	FY 2020						
	March	May	Actual	Difference		% Difference	
	Estimate ¹	Guidance ²		March	May	March	May
INCOME TAXES							
Individual	10,587,327	10,340,016	10,698,875	111,548	358,859	1.0%	3.4%
Corporations	1,011,263	883,083	1,051,808	40,546	168,725	3.9%	16.0%
Total	11,598,589	11,223,099	11,750,683	152,094	527,584	1.3%	4.5%
SALES AND USE TAXES	4,951,863	4,446,138	4,634,874	(316,990)	188,736	-6.8%	4.1%
STATE LOTTERY RECEIPTS	530,950	509,959	548,512	17,562	38,553	3.2%	7.0%
OTHER REVENUES							
Business Franchise Taxes	246,174	236,076	211,259	(34,915)	(24,817)	-16.5%	-11.7%
Insurance Premium Tax	351,649	369,944	395,851	44,202	25,907	11.2%	6.5%
Estate & Inheritance Taxes	196,947	192,492	197,175	228	4,682	0.1%	2.4%
Tobacco Taxes	348,560	355,277	362,912	14,352	7,635	4.0%	2.1%
Alcoholic Beverages Excises	32,878	29,986	30,209	(2,669)	223	-8.8%	0.7%
District Courts	58,537	49,429	47,676	(10,861)	(1,753)	-22.8%	-3.7%
Clerks of Court	31,754	29,805	29,296	(2,458)	(509)	-8.4%	-1.7%
Hospital Patient Recoveries	57,402	55,603	60,566	3,164	4,963	5.2%	8.2%
Interest on Investments	50,000	38,977	46,798	(3,202)	7,820	-6.8%	16.7%
Miscellaneous	323,247	314,896	318,296	(4,951)	3,401	-1.6%	1.1%
Total	1,697,148	1,672,485	1,700,037	2,889	27,552	0.2%	1.6%
TOTAL CURRENT REVENUES	18,778,550	17,851,680	18,634,105	(144,445)	782,425	-0.8%	4.2%
Revenue Volatility Cap ³	(42,218)	(40,132)	#NA ⁴	-			
GRAND TOTAL	18,736,332	17,811,548	18,634,105	(102,227)	822,557	-0.5%	4.4%

¹ Adjusted for legislative changes in the 2020 session

² May Guidance numbers are based on Moody's S2 April 2020 scenario

³ Established by Chapters 4 & 550 of the 2017 Legislative Session and amended by the 2018 BRFA

⁴ There is no "actual" result for the revenue volatility item. Rather, revenue volatility on this table simply limits the overall general fund estimate. For example, had the volatility cap in place general fund revenues would have been down \$144.4 million.

Maryland General Fund Revenue Estimates
Fiscal Year 2021
(\$ in thousands)

	FY 2021					
	March	May	September	Difference		Annual
	Estimate ¹	Guidance ²	Revision	March	May	Growth
INCOME TAXES						
Individual	11,037,061	9,851,689	10,784,423	(252,638)	932,734	0.8%
Corporations	1,097,308	1,016,738	1,094,883	(2,424)	78,145	4.1%
Total	12,134,369	10,868,427	11,879,306	(255,063)	1,010,879	1.1%
SALES AND USE TAXES	5,040,690	4,391,553	4,624,463	(416,228)	232,910	-0.2%
STATE LOTTERY RECEIPTS	565,187	525,295	571,838	6,652	46,543	4.3%
OTHER REVENUES						
Business Franchise Taxes	212,032	199,617	232,538	20,506	32,921	10.1%
Insurance Premium Tax	360,146	342,726	386,872	26,726	44,147	-2.3%
Estate & Inheritance Taxes	176,511	158,187	173,023	(3,488)	14,836	-12.2%
Tobacco Taxes	341,553	346,092	348,246	6,693	2,154	-4.0%
Alcoholic Beverages Excises	33,159	30,014	22,678	(10,481)	(7,336)	-24.9%
District Courts	57,455	54,350	51,173	(6,283)	(3,178)	7.3%
Clerks of Court	31,392	28,013	31,531	140	3,518	7.6%
Hospital Patient Recoveries	58,190	54,563	58,089	(101)	3,525	-4.1%
Interest on Investments	52,368	13,697	20,997	(31,371)	7,300	-55.1%
Miscellaneous	319,396	309,045	309,045	(10,351)	-	-2.9%
Total	1,642,200	1,536,305	1,634,192	(8,008)	97,887	-3.9%
TOTAL CURRENT REVENUES	19,382,446	17,321,579	18,709,799	(672,647)	1,388,220	0.4%
Revenue Volatility Cap ³	-	-	-	-	-	
GRAND TOTAL	19,382,446	17,321,579	18,709,799	(672,647)	1,388,220	0.4%

¹ Adjusted for legislative changes in the 2020 session

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Maryland General Fund Revenue Estimates
Fiscal Year 2022
(\$ in thousands)

	FY 2022			
	May Guidance ²	September Estimate	Difference	Annual Growth
INCOME TAXES				
Individual	9,929,921	11,200,369	1,270,448	3.9%
Corporations	952,592	1,139,197	186,605	4.0%
Total	10,882,513	12,339,566	1,457,052	3.9%
SALES AND USE TAXES	4,444,192	4,938,104	493,912	6.8%
STATE LOTTERY RECEIPTS	522,135	584,384	62,249	2.2%
OTHER REVENUES				
Business Franchise Taxes	194,641	190,049	(4,592)	-18.3%
Insurance Premium Tax	543,855	598,977	55,122	54.8%
Estate & Inheritance Taxes	155,226	181,615	26,389	5.0%
Tobacco Taxes	337,822	341,108	3,286	-2.0%
Alcoholic Beverages Excises	31,110	32,402	1,293	42.9%
District Courts	53,793	53,072	(721)	3.7%
Clerks of Court	27,676	34,051	6,375	8.0%
Hospital Patient Recoveries	46,520	59,301	12,781	2.1%
Interest on Investments	18,085	24,796	6,711	18.1%
Miscellaneous	300,121	300,121	-	-2.9%
Total	1,708,848	1,815,492	106,643	11.1%
TOTAL CURRENT REVENUES	17,557,689	19,677,545	2,119,856	5.2%
Revenue Volatility Cap ³	-	(11,876)	(11,876)	
GRAND TOTAL	17,557,689	19,665,669	2,107,980	5.1%

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