

Revenue and Distributional Effects of Personal Income Tax Rate and Exemption Changes in SB1302 (Tax Year 2012)

All Marylanders, 2012 income levels

2012 Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Top 1%				
Income Range	Less Than \$24,000	\$24,000 – \$44,000	\$44,000 – \$69,000	\$69,000 – \$113,000	\$113,000 – \$222,000	\$222,000 – \$500,000	\$500,000 – Or More	State Tax Change (\$1000)	Federal Tax Change (\$1000)	Federal Offset %	Net Tax Change (\$1000)
Average Income in Group	\$ 13,000	\$ 33,000	\$ 55,000	\$ 89,000	\$ 152,000	\$ 319,000	\$ 1,597,000				

State tax impact only (distributional figures do not include federal deduction for state income tax paid)

Tax Increase as % of Total Income	—	—	—	0.00%	0.04%	0.16%	0.21%	+167,000	-28,000	17%	+138,000
Average Tax Increase	—	—	—	+2	+53	+505	+3,281				
Share of Total Tax Increase	0%	0%	0%	1%	13%	33%	54%				
% with Tax Increase	0%	0%	0%	4%	38%	96%	98%				

Detail

Total % with Tax Increase	11%
Share of Total Increase Paid by Top 20%	99%
Share of Total Increase Paid by Bottom 80%	1%

Combined state/federal tax impact (including federal deduction for state income tax paid)

Tax Change as % of Total Income	—	—	—	0.00%	0.03%	0.15%	0.16%	+167,000	-28,000	17%	+138,000
Average Tax Change	—	—	—	+1	+42	+488	+2,488				
Share of Total Tax Increase	0%	0%	0%	0%	12%	38%	49%				

Detail

Share of Total Increase Paid by Top 20%	100%
Share of Total Increase Paid by Bottom 80%	0%

SOURCE: Institute on Taxation and Economic Policy, May 2012

Distributional Impact of Tax Rate and Exemption Changes in SB1302

(including impact of federal deduction for state income taxes paid)

