

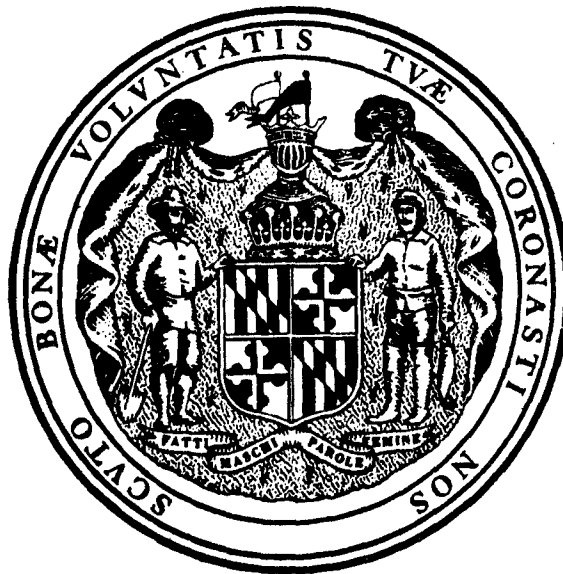
**REPORT OF THE MARYLAND
BOARD OF REVENUE ESTIMATES
ON
ESTIMATED MARYLAND REVENUES**

FISCAL YEARS ENDING

JUNE 30, 1981

AND

JUNE 30, 1982



SUBMITTED TO
GOVERNOR HARRY R. HUGHES

DECEMBER 12, 1980

STATE OF MARYLAND



BOARD OF REVENUE ESTIMATES

STATE TREASURY BUILDING
P. O. Box 466 - Phone 269-3881
ANNAPOLIS, MARYLAND 21404

December 12, 1980

MEMBERS

LOUIS L. GOLDSTEIN
STATE COMPTROLLER
WILLIAM S. JAMES
STATE TREASURER

THOMAS W. SCHMIDT
SECRETARY, DEPARTMENT OF
BUDGET AND FISCAL PLANNING

EXECUTIVE SECRETARY:
ROBERT D. RADER, PH.D.
CHIEF, BUREAU OF
REVENUE ESTIMATES

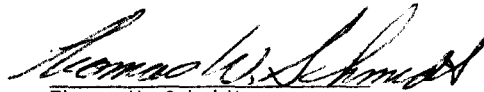
Honorable Harry Hughes
Governor of Maryland
State House
Annapolis, Maryland 21404

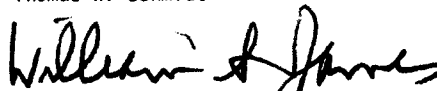
Dear Governor Hughes:

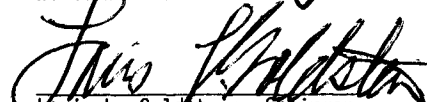
Inasmuch as you are now preparing your next State Budget program for the General Assembly, covering the Fiscal Year ending June 30, 1982, and in compliance with Article 41, Section 194 of the Annotated Code of Maryland, the Board of Revenue Estimates has prepared and herewith submits to you new estimates of State revenues for the Fiscal Years ending June 30, 1981 and June 30, 1982, based on the current State revenue outlook. These estimates are set forth, together with their basic data, in the accompanying Report on State Revenues.

Since the revenue outlook may be affected by rapidly changing economic developments, the Board will continue its study of revenue data, and will keep you fully advised in coming months of any further important developments affecting revenue prospects.

Respectfully yours,


Thomas W. Schmidt


William S. James


Louis L. Goldstein, Chairman



Robert D. Rader, Executive Secretary

RDR:cah
Enclosure

GENERAL FUND REVENUE AND APPROPRIATION ACCOUNT
FOR FISCAL YEARS 1980, 1981 AND 1982

\$ Thousands

	1980 Actual	1 9 8 1			1 9 8 2		
		Present Estimate (1)	Revised Estimate	Difference	Present Estimate (1)	Revised Estimate	Difference
GENERAL FUND BALANCE (Beginning of Year)	318,997	293,077	293,077	-	55,290	117,769	62,479
ADDITIONS - GENERAL FUND REVENUE							
Individual Income Taxes	1,096,889	1,204,386	1,194,435	(9,951)	1,353,174	1,321,045	(32,129)
Corporation Income Taxes	126,113	64,027	64,638	611	67,700	65,332	(2,368)
Retail Sales and Use Taxes	712,883	742,576	754,958	12,382	804,965	815,826	10,861
Franchises, Excises, Fees	410,767	380,145	404,731	24,586	382,800	394,665	11,865
State Lottery Receipts	166,702	165,610	165,610	-	147,910	147,910	-
Title XIX Recoveries	34,245	42,566	42,417	(149)	46,900	48,647	1,747
Federal Revenue Sharing	44,532	11,037	11,037	-	-	-	-
TOTAL ADDITIONS	2,592,131	2,610,347	2,637,826	27,479	2,803,449	2,793,425	(10,024)
TOTAL AVAILABLE	2,911,128	2,903,424	2,930,903	27,479	2,858,739	2,911,194	52,455
DEDUCTIONS							
Appropriations	2,652,916	2,863,134	2,863,134	-	N.A.	N.A.	-
Less Reversions	34,865	15,000	50,000	35,000	N.A.	N.A.	-
TOTAL DEDUCTIONS	2,618,051	2,848,134	2,813,134	35,000	N.A.	N.A.	-
GENERAL FUND BALANCE (End of Year)	293,077	55,290	117,769	62,479	N.A.	N.A.	-

(1) Present Revenue Estimates for Fiscal Years 1981 and 1982 are based on the Board of Revenue Estimates Report of September 10, 1980.

REPORT OF THE BOARD OF REVENUE ESTIMATES
ON ESTIMATED STATE REVENUES
FOR THE FISCAL YEARS 1981 AND 1982

The Board of Revenue Estimates has completed its regular annual review of the State revenue outlook which it makes in the Fall of each year while the next State Budget is being prepared by the Governor.

New estimates of State revenues have been established by the Board for the Fiscal Years ending June 30, 1981 and June 30, 1982, based on the current economic outlook.

These estimates are based on the existing revenue structure as set forth in Maryland statutes and on study by the Board of available information on present economic trends as they may affect collections.

In arriving at the estimates, all revenue collecting agencies of the State government were contacted and their estimates and advice obtained.

National and State economic trends were studied for their effect on State revenues, including economic statistics and related data published by Federal and State government and by leading business and private organizations. In addition, national econometric forecasts prepared by Wharton Econometrics, Chase Econometrics, Manufacturers Hanover Trust and other organizations were employed in preparing State economic and revenue forecasts.

There are a number of difficult economic factors to measure at the present time in arriving at revenue estimates.

U.S. Economic Prospects

After 4½ years of strong but uneven economic growth, the U.S. economy was struck by recession during 1980.2. This recession, which should have occurred during Calendar Year 1979, was forestalled by the actions taken by U.S. households to maintain their incomes and spending levels. These actions included borrowing, the increase in two or more incomes per household, reduction in savings and creative financing of investment and consumptive purchases.

By early 1980 the typical family had used up all its options to maintain its income and spending level, and the credit controls announced by President Carter on March 14 tilted the then-declining economy into a sharp recession. During 1980.2 real GNP fell by 9.1 percent. Automobile sales and housing were particularly hard hit.

Although real GNP increased by 0.9 percent during 1980.3 there is wide disagreement regarding short-term economic prospects for the remainder of Calendar Year 1980 and the first half of Calendar Year 1981. An increasing number of analysts are stating that the recession ended in July, although many are raising the possibility of a return to recession in early 1981. At the other extreme are some analysts who state that the recession is not over and that the 1980.3

increase in economic activity was merely a rebound from the sharp drop in economic activity in 1980.2 -- a drop that may have been artificially magnified by the imposition of credit controls.

The weight of available evidence seems to favor those analysts who state that a sluggish recovery is occurring. The index of leading economic indicators has risen during each of the last five months, and this index is usually a good predictor of the direction of future economic activity. In addition, both housing and automobile sales recovered somewhat during 1980.3. Retail sales have improved in each month through October.

However, an analysis of the four components of GNP -- consumption, investment, foreign trade and government -- suggests that recovery will be both sluggish and unstable through the first half of Calendar Year 1981. This recovery may well contain declines in some economic variables, and may indeed end in a return to recession -- the so-called "double dip" -- during early 1981.

Consumers are not likely to contribute significantly to near-term economic growth for a number of reasons. First, the personal savings rate is still abnormally low. Second, although outstanding consumer debt has declined between March and July, it is still high relative to consumer incomes. Third, inflation has offset much of the growth in personal incomes, and the outlook for inflation and employment growth is poor.

Likewise, investment spending in the near term is expected to be damped by excess capacity in many industrial sectors, declining corporate profits and high interest rates. In addition, business inventories are either slightly high or in line with sales in most sectors. This suggests that little growth in inventory investment will accompany near-term economic growth.

Foreign trade is unlikely to add much to growth prospects due to declining economic activity by many of our overseas trading partners.

Although defense spending is expected to increase, the government sectors in general are expected to add little to near-term growth. Non-defense federal spending is expected to slow due to policies advocated by President-elect Reagan. The FED's current attempt to restrain the growth in the money supply in an attempt to combat inflation and support the dollar on world currency exchanges will cause interest rates to remain above normal in the near term. States and local government, buffeted by the recession, loss of Federal Revenue Sharing and taxpayer attitudes against tax increases, will provide little growth impetus.

Housing starts were particularly hard hit during 1980.2, falling to a low of 906,000 in May before rebounding during 1980.3. Automobile sales were also severely affected during 1980.2, falling to a seasonally adjusted rate of 7.7 million units from the 1980.1 rate of 10.7 million units. Although high prices, financing costs and the increase in average auto lifespan due to reduced driving will discourage replacement demand during the next year, each of the auto makers is currently forecasting a gradual but steady improvement in sales through 1981.

The prime rate has just been increased to 20 percent and is projected to increase further. If rates remain high, this could have a devastating effect upon economic prospects in early 1981.

It would appear that continuation of sluggish growth through 1981.1 is the most optimistic outlook at this time. The rapid increases in interest rates could tilt the economy back into recession during 1981.1. However, by spring, the prospects are for a possible recovery aided by a slackening in inflation, declining interest rates, and a tax cut in April or May. This should increase real growth during the last half of Calendar Year 1981 and the first half of Calendar Year 1982.

Additional comments regarding the national economic outlook are included in Appendix A.

State Economic Prospects

In response to the national recession, Maryland's economy has slowed noticeably during Calendar Year 1980. Total employment, which grew at an annual rate of 63,000 in 1977, 93,000 in 1978 and 49,000 in 1979, grew by an annual average of only 22,000 through September 1980. Much of this growth has occurred since June; between July and September, total employment has increased by an average of 44,000 over the corresponding three-month period of 1979.

Accompanying these employment trends, the number of unemployed increased during the spring of 1980, reaching a high of 152,000 in June before declining to 127,000 in September.

Inflation, as measured by an average of the Consumer Price Indices for Baltimore and Washington urban wage earners, has increased by 12.4 percent between September 1979 and September 1980. For Calendar Year 1980 as a whole, inflation is expected to average approximately 13 percent in Maryland.

Housing starts have declined significantly during every month of 1980, as the effect of inflation, high interest rates and lack of mortgage funds have squeezed out potential homebuyers.

Due to the relative cyclical stability of Maryland employment, the future impacts of national economic developments should be relatively mild. Barring the return of recession or the unforeseen effects of a harsh winter, employment should continue to increase beyond prior year levels. However, this increase may not equal the growth in the Maryland labor force, leading to an increase in the unemployment rate during the first half of Calendar Year 1981.

The impact of slow employment growth, inflation and national economic prospects should slow the growth rate of Maryland personal income through the first half of Calendar Year 1981. Maryland personal income is currently expected to grow by 8.7 percent during Calendar Year 1980, 9.0 percent during Calendar Year 1981 and by 9.5 percent during Calendar Year 1982, as the State economy returns to more normal growth rates.

Appendix B contains statistics on Maryland's economic trends during the past five years.

State Revenue Trends and Outlook

Despite the recession, Maryland finished Fiscal Year 1980 with revenues exceeding estimates by \$7,702,000, or 0.30 percent. State Lottery receipts contributed \$7,093,000 to this excess. Individual and Corporation Income Taxes fell short of estimates by \$601,000 (0.04 percent), while Retail Sales and Use Tax collections fell short by \$4,004,000 (0.55 percent). All other revenues exceeded estimates by \$5,214,000 (1.08 percent).

Fiscal Year 1981 revenues are currently being affected by a number of factors, including the continuing effects of the recession on Individual Income and Retail Sales Tax collections and the loss of revenues through tax relief, transfers of revenue resources to the Department of Transportation and expiration of the Federal Revenue Sharing program.

In addition, Highway User revenues continue to be affected by higher fuel prices and conservation measures, the shift towards smaller automobiles and the short-term outlook for new car sales. Together, these portend a rather stagnant revenue situation for Fiscal Year 1981, with the only growth stemming from an infusion of Motor Vehicle Titling Tax revenues from the General Fund.

General Fund revenues are being reduced by \$14,150,000 arising from exemptions granted by the 1980 General Assembly. Approximately \$11,000,000 of this loss results from tax relief exempting a portion of interest income from the Individual Income Tax, while the remainder represents a number of minor exemptions from the Retail Sales Tax. Other legislative enactments which replaced the Sales Tax on cigarettes with a higher Tobacco Tax will have a negligible effect upon total State revenues.

Fiscal Year 1981 revenues are also being decreased by the transfer of portions of the Corporation Income and Motor Vehicle Titling Taxes to the Transportation Trust Fund. These transfers are expected to reduce General Fund revenues by \$85,009,000 during Fiscal Year 1981.

Expiration of the Federal Revenue Sharing program on September 30, 1980 will reduce revenues by \$34,700,000 during Fiscal Year 1981. This money, receipt of which was in doubt when the 1981 budget was enacted, was appropriated to fund a contingent capital appropriation. This appropriation will now lapse and the bonds which would have been cancelled will now be issued. Therefore, no adverse impact upon the General Fund will result from its loss during Fiscal Year 1981.

Fiscal Year 1982 revenues will be affected by these revenue losses and also by the impact of the gambling initiative passed on November 4, 1980 by the Washington, D.C. electorate. This initiative permits a legalized lottery in that city which will compete with Maryland's Lottery. This could reduce Maryland's Fiscal Year 1982 General Fund revenues by up to \$30,000,000.

Table 1 below lists the actual State revenue for the Fiscal Year ended June 30, 1980 and the Board's current estimates for the Fiscal Years ending June 30, 1981 and June 30, 1982.

MARYLAND REVENUE RECEIPTS
FISCAL YEARS 1980, 1981 AND 1982

	GENERAL FUND			SPECIAL FUND			TOTAL		
	Fiscal Year 1980 Actual	Fiscal Year 1981 Revised Estimate	Fiscal Year 1982 Estimate	Fiscal Year 1980 Actual	Fiscal Year 1981 Revised Estimate	Fiscal Year 1982 Estimate	Fiscal Year 1980 Actual	Fiscal Year 1981 Revised Estimate	Fiscal Year 1982 Estimate
	\$ Thousands								
INCOME TAXES:									
Individual	1,096,889	1,194,435	1,321,045	110	100	100	1,096,999	1,194,535	1,321,145
Corporation	126,113	64,638	65,332	16,981	75,028	76,261	143,094	139,666	141,593
Total	1,223,002	1,259,073	1,386,377	17,091	75,128	76,361	1,240,093	1,334,201	1,462,738
RETAIL SALES AND USE TAXES	712,883	754,958	815,826	-	-	-	712,883	754,958	815,826
STATE LOTTERY RECEIPTS	166,702	165,610	147,910	205,558	220,990	189,114	372,260	386,600	337,024
TRANSPORTATION REVENUES:									
Motor Vehicle Fuel Tax	-	-	-	187,272	183,000	179,000	187,272	183,000	179,000
Motor Vehicle Licenses, Fees	-	-	-	96,513	98,250	99,850	96,513	98,250	99,850
Motor Vehicle Titling Tax	25,419	656	-	101,677	129,344	155,000	127,096	130,000	155,000
Mass Transit Fees	-	-	-	34,552	40,400	40,800	34,552	40,400	40,800
Maryland Port Fees	-	-	-	28,494	31,902	33,700	28,494	31,902	33,700
State Aviation Fees	-	-	-	17,070	17,527	19,978	17,070	17,527	19,978
Total	25,419	656	-	465,578	500,423	528,328	490,997	501,079	528,328
PROPERTY TAXES, FRANCHISES, ETC.:									
State Real and Personal Property Tax	-	-	-	83,247	87,389	92,941	83,247	87,389	92,941
Property Transfer Tax	-	-	-	28,057	26,000	31,500	28,057	26,000	31,500
Corporation Franchises and Filing Fees	79,937	78,181	83,116	6,056	6,345	6,643	85,993	84,526	89,759
State Tobacco Tax	36,971	55,600	53,375	15,452	16,400	15,625	52,423	72,000	69,000
Tax on Insurance Companies	57,475	62,245	67,395	-	-	-	57,475	62,245	67,395
Alcoholic Beverage Excises	19,144	19,675	19,920	10,083	10,225	10,380	29,227	29,900	30,300
Death Taxes	22,513	24,500	24,600	-	-	-	22,513	24,500	24,600
Tax on Horse Racing	10,922	11,100	11,997	5,944	5,492	5,935	16,866	16,592	17,932
District Courts	23,130	26,100	27,300	-	-	-	23,130	26,100	27,300
Hospital Patient Recoveries	20,628	26,690	29,300	-	-	-	20,628	26,690	29,300
University of Maryland, State Colleges	-	-	-	267,194	296,322	334,719	267,194	296,322	334,719
Interest on Investments	67,312	53,000	30,000	3,617	7,500	4,000	70,929	60,500	34,000
Miscellaneous Fees, Other Receipts	47,316	46,984	47,662	85,595	94,968	94,817	132,911	141,952	142,479
Total	385,348	404,075	394,665	505,245	550,641	596,560	890,593	954,716	991,225
FEDERAL FUNDS:									
Highway Transit Reimbursements, Grants	-	-	-	364,431	494,193	531,315	364,431	494,193	531,315
Human Resources	-	-	-	239,125	286,543	295,734	239,125	286,543	295,734
Public Education	-	-	-	178,485	253,381	265,063	178,485	253,381	265,063
Public Health	34,245	42,417	48,647	232,780	234,509	252,558	267,025	276,926	301,205
Law Enforcement	-	-	-	10,723	6,561	3,592	10,723	6,561	3,592
Natural Resources, Etc.	-	-	-	27,589	27,936	29,935	27,589	27,936	29,935
Federal Revenue Sharing	44,532	11,037	-	-	-	-	44,532	11,037	-
Total	78,777	53,454	48,647	1,053,133	1,303,123	1,378,197	1,131,910	1,356,577	1,426,844
GRAND TOTAL	2,592,131	2,637,826	2,793,425	2,246,605	2,650,305	2,768,560	4,838,736	5,288,131	5,561,985

TABLE 1

The following table shows the current revision of the General Fund revenue surplus account for the current Fiscal Year 1981.

	<u>Present Estimate</u>	<u>Revised Estimate</u>	<u>Surplus Increase</u>
	- - - - - \$ Thousands - - - - -		
GENERAL FUND BALANCE (Beginning of Year)	293,077	293,077	-
ADDITIONS - GENERAL FUND REVENUE			
Individual Income Taxes	1,204,386	1,194,435	(9,951)
Corporation Income Taxes	64,027	64,638	611
Retail Sales and Use Taxes	742,576	754,958	12,382
Franchises, Excises, Fees	380,145	404,731	24,586
State Lottery Receipts	165,610	165,610	-
Title XIX Recoveries	42,566	42,417	(149)
Federal Revenue Sharing	11,037	11,037	-
TOTAL ADDITIONS	<u>2,610,347</u>	<u>2,637,826</u>	27,479
TOTAL AVAILABLE	<u>2,903,424</u>	<u>2,930,903</u>	27,479
DEDUCTIONS			
Appropriations	2,863,134	2,863,134	-
Less Reversions	15,000	50,000	35,000
TOTAL DEDUCTIONS	<u>2,848,134</u>	<u>2,813,134</u>	35,000
UNAPPROPRIATED GENERAL FUND BALANCE (End of Year)	<u>55,290</u>	<u>117,769</u>	62,479

It should be noted that under present law the recognition of State Lottery revenues on a current collections basis ends on June 30, 1982, thus reducing General Fund revenues by \$150 million during Fiscal Year 1983.

An extended analysis of General Fund revenues covering Fiscal Years 1976 to 1983 is contained in Table 2 following.

MARYLAND GENERAL FUND REVENUES
FISCAL YEARS 1976 TO 1983

	1976 Actual	1977 Actual	1978 Actual	1979 Actual	1980 Actual	1981		1982 Estimate	1983 Preliminary Estimate
						Present Estimate (1)	Revised Estimate		
	----- \$ Thousands -----								
INCOME TAXES:									
Individual	790,334	806,726	884,379	1,005,511	1,096,889	1,204,386	1,194,435	1,321,045	1,443,000
Corporation	88,675	92,261	99,783	118,260	126,113	64,027	64,638	65,332	70,000
Total	<u>879,009</u>	<u>898,987</u>	<u>984,162</u>	<u>1,123,771</u>	<u>1,223,002</u>	<u>1,268,413</u>	<u>1,259,073</u>	<u>1,386,377</u>	<u>1,513,000</u>
RETAIL SALES AND USE TAXES	<u>419,412</u>	<u>465,858</u>	<u>628,059</u>	<u>699,188</u>	<u>712,883</u>	<u>742,576</u>	<u>754,958</u>	<u>815,826</u>	<u>889,000</u>
FRANCHISES, EXCISES, LICENSES, FEES:									
Business Franchise Taxes	47,418	74,132	61,315	68,538	79,937	78,361	78,181	83,116	85,000
State Tobacco Tax	38,184	38,228	37,621	37,113	36,971	52,188	55,600	53,375	52,000
Tax on Insurance Companies	34,649	60,805	49,871	52,668	57,475	63,685	62,245	67,395	70,000
Alcoholic Beverage Excises	17,960	18,506	18,348	19,022	19,144	19,325	19,675	19,920	20,000
Death Taxes	15,465	19,785	17,169	25,492	22,513	23,000	24,500	24,600	26,000
Motor Vehicle Titling Tax	19,504	22,824	24,936	27,210	25,419	800	656	-	-
Tax on Horse Racing	16,093	13,377	14,049	15,255	10,922	11,880	11,100	11,997	12,000
Hospital Patient Recoveries	16,186	17,028	18,216	18,376	20,628	21,000	26,690	29,300	32,000
Interest on Investments	11,684	13,715	25,426	57,605	67,312	40,000	53,000	30,000	30,000
District Courts	19,562	21,497	23,283	23,194	23,130	24,000	26,100	27,300	29,000
Miscellaneous	24,819	29,912	39,370	70,274	47,316	45,906	46,984	47,662	50,000
Total	<u>261,524</u>	<u>329,809</u>	<u>329,604</u>	<u>414,747</u>	<u>410,767</u>	<u>380,145</u>	<u>404,731</u>	<u>394,665</u>	<u>406,000</u>
STATE LOTTERY	<u>15,374</u>	<u>90,769</u>	<u>112,947</u>	<u>131,533</u>	<u>166,702</u>	<u>165,610</u>	<u>165,610</u>	<u>147,910</u>	<u>-</u>
FEDERAL TITLE XIX RECOVERIES	<u>34,874</u>	<u>24,298</u>	<u>22,963</u>	<u>26,661</u>	<u>34,245</u>	<u>42,566</u>	<u>42,417</u>	<u>48,647</u>	<u>52,000</u>
FEDERAL REVENUE SHARING	<u>42,047</u>	<u>48,900</u>	<u>51,782</u>	<u>46,931</u>	<u>44,532</u>	<u>11,037</u>	<u>11,037</u>	<u>-</u>	<u>-</u>
GRAND TOTAL	<u>1,652,240</u>	<u>1,858,621</u>	<u>2,129,517</u>	<u>2,442,831</u>	<u>2,592,131</u>	<u>2,610,347</u>	<u>2,637,826</u>	<u>2,793,425</u>	<u>2,860,000</u>

(1) Present Revenue Estimates for Fiscal Year 1981 are based on the Board of Revenue Estimates Report of September 10, 1980.

TABLE 2

INDIVIDUAL INCOME TAXES

Maryland's Individual Income Tax is particularly sensitive to changes in State employment and personal income. In response to strong economic growth, the tax had grown at a fast pace for several years. However, since May 1980 receipts have slowed markedly and, through September, Fiscal Year 1981 revenues showed virtually no growth over the corresponding period of Fiscal Year 1980.

As stated earlier in this report, Maryland personal income is projected to grow by 8.7 percent in Calendar Year 1980, 9.0 percent in Calendar Year 1981 and 9.5 percent in Calendar Year 1982. These projections reflect the impact of the recession during Calendar Year 1980 and slow growth during the first half of Calendar Year 1981.

The 1980 General Assembly enacted legislation exempting up to \$200 per taxpayer (\$400 for joint/combined separate returns) in interest income. This is expected to reduce Fiscal Year 1981 General Fund revenues by approximately \$11 million.

On the basis of this analysis, General Fund Individual Income Tax revenues are expected to total \$1,194,435,000 in Fiscal Year 1981. This is 8.9 percent greater than in Fiscal Year 1980. Fiscal Year 1982 revenues are expected to grow by 10.6 percent to \$1,321,045,000.

Table 3 below summarizes the Individual Income Tax for each of Fiscal Years 1979 through 1982.

MARYLAND INDIVIDUAL INCOME TAX REVENUES
FOR FISCAL YEARS 1979, 1980, 1981 AND 1982

\$ Thousands

<u>Tax Year</u>	<u>Collections</u>	<u>Percent Rate of Growth</u>	<u>1979 Actual</u>	<u>1980 Actual</u>	<u>1981 Estimate</u>	<u>1982 Estimate</u>
Prior Years	-	-	12,860	18,459	15,000	15,000
1978	1,381,924	11.6	672,264			
1979	1,527,543	10.5	787,639	739,904		
1980	1,659,715	8.7		859,983	799,732	
1981	1,845,603	11.2			952,331	893,272
1982	2,063,384	11.8				1,046,085
Total			<u>1,472,763</u>	<u>1,618,346</u>	<u>1,767,063</u>	<u>1,954,357</u>
Less: Fair Campaign Fund			116	108	100	100
City, County, Town			3	2	-	-
Local Tax			<u>467,133</u>	<u>521,347</u>	<u>572,528</u>	<u>633,212</u>
NET TO GENERAL FUND			<u><u>1,005,511</u></u>	<u><u>1,096,889</u></u>	<u><u>1,194,435</u></u>	<u><u>1,321,045</u></u>

TABLE 3

CORPORATION INCOME TAXES

For Fiscal Years 1981 and 1982, the net Corporation Income Tax revenue will be received from the following tax years:

	<u>1980-81</u>	<u>1981-82</u>
1978 & Prior Years	1%	1%
1979	9%	-
1980	70%	8%
1981	20%	71%
1982	-	20%
Total	<u>100%</u>	<u>100%</u>

A different rate of growth was applied to each tax year receipts. For Calendar Years 1979, 1980 and 1981, we used growth rates of 11.6 percent, -2.9 percent and 2.8 percent, respectively. These growth rates reflect an average of the projected growth rates in corporate profits as forecast by various professional econometric consultants and incorporate an historical long-run elasticity assumption regarding the relationship between Maryland Corporation Income Tax receipts and U.S. corporate profits.

In conjunction with the operating loss carryover provision in Maryland's law (which allows loss carrybacks for the three years prior to an operating loss), and the prospect for losses by some of Maryland's largest corporate taxpayers, prior year net receipts are projected to fall markedly from the levels attained prior to Fiscal Year 1980 in each of Fiscal Years 1981 and 1982.

Legislation enacted by the 1980 General Assembly shifted 48 percent of the General Fund share of Corporation Income Taxes to the Department of Transportation. Two-thirds (32 percent) of this share is allocated to the Transportation Revenue Sharing Account, while the remainder (16 percent) is allocated to the Gasoline and Motor Vehicle Revenue Account.

The above rates of growth in calendar year corporate profits were used in projecting Fiscal Year 1981 and 1982 receipts. However, since corporations are allowed to base their declaration payments on prior year liabilities, we assume that virtually no growth in Calendar Year 1982 corporation declaration payments will be realized during Fiscal Year 1982. The reconciliation between corporation tax liability and tax payments will be made during Fiscal Years 1983 and 1984.

Table 4 contains a detailed analysis of the projected revenues from Corporation Income Taxes.

MARYLAND CORPORATION INCOME TAX REVENUES
FOR FISCAL YEARS 1979, 1980, 1981 AND 1982

\$ Thousands

<u>Tax Year</u>	<u>Collections</u>	<u>Percent Rate of Growth</u>	<u>1979 Actual</u>	<u>1980 Actual</u>	<u>1981 Estimate</u>	<u>1982 Estimate</u>
Prior Years	-	-	4,266	(35)	500	500
1977	108,170	+17.0	7,140			
1978	128,639	+18.9	90,705	12,420		
1979	143,561	+11.6	30,005	100,935	12,621	
1980	139,421	-2.9		29,774	97,880	11,767
1981	143,323	+2.8			28,665	100,326
1982	162,243	+13.2				29,000
Total			<u>132,116</u>	<u>143,094</u>	<u>139,666</u>	<u>141,593</u>
Less: Transportation Trust			<u>13,856</u>	<u>16,981</u>	<u>15,363</u>	<u>15,955</u>
Baseline General Fund			<u>118,260</u>	<u>126,113</u>	<u>124,303</u>	<u>125,638</u>
Less: D.O.T. (48%)			<u>-</u>	<u>-</u>	<u>59,665</u>	<u>60,306</u>
NET TO GENERAL FUND			<u><u>118,260</u></u>	<u><u>126,113</u></u>	<u><u>64,638</u></u>	<u><u>65,332</u></u>

TABLE 4

RETAIL SALES AND USE TAXES

In response to deteriorating economic conditions and the subsequent recession, Maryland's Retail Sales and Use Tax collections began to slacken in December, 1979 and dropped below estimates in April, 1980. For Fiscal Year 1980 as a whole, Sales Tax collections were 99.45 percent of the estimates.

Retail Sales and Use Tax collections have exceeded estimates in each month of Fiscal Year 1981 to date, and are currently 4.53 percent higher than during the corresponding period of Fiscal Year 1980. The Board currently anticipates that this growth rate will improve somewhat throughout Fiscal Year 1981, barring a return of the recession.

As stated elsewhere in this report, the outlook for inflation is poor. In particular, inflation is expected to be particularly severe in the areas of necessities such as food and utilities. Since these purchases are relatively insensitive to price increases, it is to be expected that these items will consume a larger portion of household budgets, thus leaving less income for discretionary spending on taxable items.

Home construction, though expected to improve gradually throughout 1981, is not expected to reach 1979 levels until 1982. This will have a moderating effect upon growth in Sales Tax collections. In addition, this will also lower the demand for household furniture, appliances and other so-called "big ticket" items.

Legislation enacted by the 1980 General Assembly exempted the sale of cigarettes from the Retail Sales Tax. This exemption is expected to reduce revenues by approximately \$14,273,000 during Fiscal Year 1981. Other minor exemptions enacted during 1980 (vending machine sales, sanitary napkins, crane rentals by the Maryland Port Administration and sales of official documents by government agencies) are expected to reduce revenues by another \$3,150,000 during Fiscal Year 1981.

On the basis of the above factors, the Board currently projects Retail Sales and Use Taxes to total \$754,958,000 during Fiscal Year 1981, 5.90 percent above Fiscal Year 1980 collections. For Fiscal Year 1982, the Board projects these revenues will rise by 8.06 percent to \$815,826,000, based upon current economic expectations.

STATE LOTTERY REVENUES

As seen in the table below, State Lottery revenues have grown very rapidly since the inception of the daily "Numbers Game" on July 29, 1976.

<u>Fiscal Year</u>	<u>Gross Sales</u>			<u>Net Receipts</u>
	<u>Daily</u>	<u>Weekly</u>	<u>Total</u>	
	- - - - - \$ Thousands - - - - -			
1977	\$137,608	\$27,385	\$164,993	\$ 57,026
1978	256,401	24,692	281,093	112,947
1979	310,420	21,740	332,160	131,533
1980	354,581	17,679	372,260	166,702

During Fiscal Year 1981, gross receipts of \$372,300,000 are expected from the daily "Numbers Game," and an additional \$14,300,000 is expected from the \$.50 and \$1.00 weekly games. After deduction of seller's commissions, administrative expenses and prizes, net receipts of \$165,610,000 are expected to be received by the General Fund from these gross collections.

Fiscal Year 1982 revenues are expected to be significantly reduced due to a legalized gambling initiative approved by Washington D.C. voters on November 4, 1980. Competition from a daily D.C. lottery could reduce Maryland's gross receipts from the daily and weekly games to \$337,024,000 during Fiscal Year 1982. Of this amount, \$147,910,000 is estimated to be available to fund the 1982 General Fund budget.

INTEREST ON INVESTMENTS

In response to high interest rates, the interest received on invested State General Funds has increased sharply since Fiscal Year 1977. Interest earnings have increased by 85 percent in Fiscal Year 1978, 127 percent in Fiscal Year 1979 and by 17 percent in Fiscal Year 1980. Over this four-year period, interest earnings have increased an incredible 390 percent!

Although interest rates are again climbing, most analysts project these rates to peak and recede during 1981. Accordingly, the Board currently projects earnings on General Fund investments to total \$53 million in Fiscal Year 1981 and to decline to \$30 million in Fiscal Year 1982.

TRANSPORTATION REVENUES

The outlook for Maryland's Motor Vehicle User revenues continues to be affected by the recent recession, outbreak of war between Iraq and Iran, higher fuel prices and the outlook for new car sales.

Based upon the current outlook for new and used motor vehicle sales, the 5 percent Motor Vehicle Titling Tax is currently projected to yield approximately \$130,000,000 during Fiscal Year 1981. Due to an improved outlook for this sector, the Board is projecting a 19.1 percent increase during Fiscal Year 1982. This growth represents a normal rebound in car sales following the depressed level due to the recent economic recession.

Motor fuel supplies are currently adequate and barring a significant escalation of Middle East hostilities should remain adequate through June 1982. However, based upon the trend towards more fuel-efficient new cars and other conservation measures taken during the last fifteen months, the trend of Motor Fuels Tax receipts will continue to decline. During Fiscal Year 1981 the Board forecasts a 2.3 percent reduction in consumption below Fiscal Year 1980. During Fiscal Year 1982, the Board currently projects an additional 2.2 percent decline.

Motor Vehicle Licenses and Registrations are being reduced by \$3,000,000 below present budget estimates based upon two factors. One is the current fall-off in automobile sales which will affect registrations during the coming year. The second factor is the downsizing of automobiles from the larger cars to the smaller, more fuel-efficient vehicles, which results in lowering the tag fee from \$30 to \$20 for an increasing number of vehicles. Fiscal Year 1982 license and registration fees are expected to grow moderately beyond Fiscal Year 1981 projections.

Security Interest Filing Fees are expected to grow only modestly during Fiscal Year 1981 due to the current fall-off in unit sales of new and used cars.

Legislation was enacted shifting the 1 percent portion of the Motor Vehicle Titling Tax from the General Fund to the Transportation Trust Fund, thus allowing all of this revenue source to be used for Transportation purposes. This change adds \$25,344,000 and provides the only major source of growth in Motor Vehicle User revenues during the 1981 Fiscal Year.

Table 5 summarizes Motor Vehicle User Revenues.

MARYLAND MOTOR VEHICLE USER REVENUES
 FOR FISCAL YEARS 1978, 1979, 1980, 1981 AND 1982
 \$ Thousands

	1978 Actual	1979 Actual	1980 Actual	1981		1982 Estimate
				Present Budget Estimate	Revised Estimate	
MOTOR VEHICLE REVENUES:						
Motor Vehicle Licenses and Registration	82,009	84,577	83,457	88,000	85,000	86,000
Miscellaneous Motor Vehicle Fees	3,104	3,631	3,849	3,800	3,850	3,900
Wreckers and Scrappers Recording Charge	822	809	751	845	750	800
Security Interest Filing Fees - Counties	1,040	1,020	868	1,040	900	1,000
Security Interest Filing Fees - Special Funds	1,040	1,032	869	1,040	900	1,000
Security Interest Filing Fees - Court Costs	2,081	2,039	1,736	2,080	1,800	2,000
Hauling Fees	1,269	1,275	1,331	1,400	1,400	1,500
Driver's Education Licenses, Fees	3,786	3,901	3,302	4,100	3,300	3,300
Special License Tags - Special Funds	150	350	350	350	350	350
Special License Tags - General Fund	320	194	258	250	300	325
Motor Vehicle Titling Tax	124,678	136,050	127,096	150,000	130,000	155,000
Total	220,299	234,878	223,867	252,905	228,550	255,175
Motor Vehicle Fuel Tax	194,758	200,184	187,272	192,000	183,000	179,000
GRAND TOTAL	415,057	435,062	411,139	444,905	411,550	434,175

TABLE 5

ALCOHOLIC BEVERAGE EXCISES

Tax receipts from Alcoholic Beverages are influenced by various factors, such as inventory deliveries, tax payment methods and the overall state of the economy.

Distilled Spirits, Wine and Beer Tax revenues are expected to conform to past trends. For Fiscal Year 1981, Alcoholic Beverage Taxes are expected to grow by 2.8 percent above Fiscal Year 1980 receipts, and Fiscal Year 1982 receipts are projected to grow by an additional 1.2 percent.

Following is a current analysis of these revenues:

	<u>1979</u> <u>Actual</u>	<u>1980</u> <u>Actual</u>	<u>1981</u> <u>Revised</u> <u>Estimate</u>	<u>1982</u> <u>Estimate</u>
	-----	-----	-----	-----
	----- \$ Thousands -----			
Tax on Distilled Spirits				
Total Revenue	16,637	16,673	16,800	16,900
Less - Share to Local Governments	5,494	5,569	5,600	5,630
Balance to General Fund	<u>11,143</u>	<u>11,104</u>	<u>11,200</u>	<u>11,270</u>
Tax on Wine (General Fund)	<u>3,161</u>	<u>3,296</u>	<u>3,400</u>	<u>3,550</u>
Tax on Beer				
Total Revenue	9,181	9,258	9,700	9,850
Less - Share to Local Governments	4,463	4,514	4,625	4,750
Balance to General Fund	<u>4,718</u>	<u>4,744</u>	<u>5,075</u>	<u>5,100</u>
TOTAL TO GENERAL FUND	<u><u>19,022</u></u>	<u><u>19,144</u></u>	<u><u>19,675</u></u>	<u><u>19,920</u></u>

STATE TOBACCO TAX

State Tobacco Tax collections are being augmented by an increase in the rate from 10¢ to 13¢ per pack plus deferred revenues and floorstocks tax receipts totalling \$2,475,000 during Fiscal Year 1981. During Fiscal Year 1982, continuing decline in per capita consumption will result in a fall-off in these revenues, as seen in the table below:

	<u>1979</u> <u>Actual</u>	<u>1980</u> <u>Actual</u>	<u>1981</u> <u>Revised</u> <u>Estimate</u>	<u>1982</u> <u>Estimate</u>
	-----	-----	-----	-----
	----- \$ Thousands -----			
Total Revenue	52,741	52,423	72,000	69,000
Less - Share to Counties and Baltimore City	15,628	15,452	16,400	15,625
BALANCE TO GENERAL FUND	<u><u>37,113</u></u>	<u><u>36,971</u></u>	<u><u>55,600</u></u>	<u><u>53,375</u></u>

REAL AND PERSONAL PROPERTY TAXES

The present estimate of the State's Assessable Basis for Fiscal Year 1981, made by the Department of Assessments and Taxation, is \$43,694,442,000. Although official estimates for Fiscal Year 1982 have not yet been formalized, the Department projects that the Fiscal Year 1982 Assessable Basis will increase by 6.4 percent to \$46,470,343,000.

The State Tax Rate for the current 1980-81 year is 20¢ per \$100 of assessable property as established by the Board of Public Works. The Board is required by law to calculate the rate necessary for Debt Service on full faith and credit General Obligation Bonds by May 1 of each year. The proceeds of the State property tax are exclusively dedicated to pay this debt service.

The projection of State Property Tax revenues on the basis of this 20¢ rate is as follows:

Fiscal Year 1981	\$87,389,000
Fiscal Year 1982	\$92,941,000

CORPORATION FRANCHISE TAXES AND FILING FEES

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
	<u>Actual</u>	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>
	- - - - - \$ Thousands - - - - -			
Franchise Tax on Gross Receipts	57,287	59,460	64,897	70,739
Franchise Tax on Net Earnings of Savings Banks, Building and Loan Associations	4,559	5,024	5,500	5,750
Franchise Tax on Building and Loan Associations	1,112	1,077	1,329	1,350
Domestic Corporation Filing Fees	1,447	2,165	1,800	1,900
Filing Fees on Foreign Corporations	456	528	500	520
Franchise Tax on Net Earnings of Financial Institutions	8,895	17,739	10,500	9,500
TOTAL	<u>73,756</u>	<u>85,993</u>	<u>84,526</u>	<u>89,759</u>
LESS - Allocations to Local Governments:				
Franchise Tax on Net Earnings of Savings Banks, Building and Loan Associations	4,495	4,973	5,445	5,693
Domestic Corporation Filing Fees	723	1,083	900	950
BALANCE TO GENERAL FUND	<u><u>68,538</u></u>	<u><u>79,937</u></u>	<u><u>78,181</u></u>	<u><u>83,116</u></u>

DEATH TAXES

	<u>1979</u> <u>Actual</u>	<u>1980</u> <u>Actual</u>	<u>1981</u> <u>Revised</u> <u>Estimate</u>	<u>1982</u> <u>Estimate</u>
	\$ Thousands			
Collateral Inheritance Tax	11,154	12,031	12,875	13,450
Direct Inheritance Tax	3,757	4,212	4,500	4,575
Maryland Estate Tax	8,800	4,257	5,000	4,350
Tax on Commissions of Executors and Administrators	1,781	2,013	2,125	2,225
TOTAL	<u>25,492</u>	<u>22,513</u>	<u>24,500</u>	<u>24,600</u>

UNIVERSITY OF MARYLAND, STATE COLLEGES

	<u>1979</u> <u>Actual</u>	<u>1980</u> <u>Actual</u>	<u>1981</u> <u>Revised</u> <u>Estimate</u>	<u>1982</u> <u>Estimate</u>
	\$ Thousands			
University of Maryland	193,829	218,311	243,816	277,314
Bowie State College	3,044	2,925	3,491	3,766
Coppin State College	2,047	2,508	2,404	2,451
Frostburg State College	6,262	6,502	7,052	7,708
Salisbury State College	5,288	5,878	6,237	7,377
Towson State University	15,122	16,422	17,057	19,076
University of Baltimore	4,024	4,139	4,925	4,845
St. Mary's College of Maryland	2,341	2,743	3,026	4,095
Morgan State University	6,502	7,766	8,314	8,087
TOTAL	<u>238,459</u>	<u>267,194</u>	<u>296,322</u>	<u>334,719</u>

APPENDIX A

U.S. ECONOMIC PROSPECTS

The following narrative provides a summary of the various national economic forecasts consulted in the preparation of this report on Maryland's revenue prospects for Fiscal Years 1980-81 and 1981-82.

1. Wharton Quarterly Model Forecast - October 25, 1980

Our current Control Forecast indicates that the recovery will continue and hence a "double dip" recession will be avoided, but just barely. Real growth will be much slower than in a typical economic recovery for a number of reasons.

First, although a tax cut is expected to be enacted next Spring, economic policy is expected to constrain growth in 1981. Second, monetary policy is not expected to be expansionary, due to fears of speeding up inflation and depressing the dollar in world currency markets. This will keep interest rates relatively high and will limit the recovery in such interest-sensitive sectors as housing.

Third, U.S. exports will be lowered by the slow growth and recession which currently affect our major trading partners, while high domestic inflation will continue to strain consumer budgets and limit the growth of discretionary income.

The following table summarizes key elements of the Wharton forecast for the 1980, 1981 and 1982 calendar years:

	<u>1980</u>	<u>1981</u>	<u>1982</u>
<u>Percent Change In:</u>			
Real GNP	-0.7%	1.9%	3.7%
Consumer Prices	13.4	10.6	9.1
Pre-Tax Corporate Profits	-1.7	4.8	11.3
<u>Level of:</u>			
New Car Sales (000)	9,100	9,300	10,100
Housing Starts (000)	1,294	1,536	1,999

2. Chase Econometric Macro Report - November 21, 1980

The current situation in many ways is similar to early 1980 when the rise in interest rates and inflation, combined with a reversal of several temporary buoying factors, led to a sharp decline in the economy. While a second severe recession is not most probable, economic activity over the next four to six months will flatten out due to a number of factors. These include the recent sharp increase in mortgage rates (which has stopped the rebound in new housing construction), continued high inflation and the intensifying recession overseas.

We expect the process of slow growth to begin again in the spring as a result of several factors. First, interest rates are expected to decline in early 1981. Second, defense spending will rise. Third, a tax cut will be enacted some time next spring. Fourth, the transition from inventory liquidation to accumulation will modestly stimulate the economy. Fifth, recessions overseas are currently expected to bottom out next spring.

The following table summarizes key elements of the Chase forecast for the 1980, 1981 and 1982 calendar years:

<u>Percent Change In:</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
Real GNP	-0.8%	0.7%	3.6%
Consumer Prices	13.5	11.1	9.5
Pre-Tax Corporate Profits	-2.6	-0.5	17.6
<u>Level of:</u>			
New Car Sales (000)	9,000	9,100	10,300
Housing Starts (000)	1,280	1,500	1,770

3. Manufacturers Hanover Trust "Business Report" - October 1980

The uptrend in many of the 1980.3 economic statistics represent nothing more than a rebound from the lows created artificially by the imposition of credit controls by the FED. The economy is likely to turn down again during 1980.4, with a weak recovery beginning early in 1981.

Inflation will accelerate early in 1981 due to rising food, fuel and labor costs. The resulting increased dollar demands will run up against a tight monetary policy, causing interest rates to rise sooner than normal for an economic recovery period and slowing the growth in business and consumer borrowing. Despite a possible tax cut, consumer purchasing power will be further limited by increases in Social Security taxes and the effects of "bracket creep" on taxable incomes of individuals.

The following table summarizes key elements of the Manufacturers Hanover forecast for the 1980 and 1981 calendar years:

<u>Percent Change In:</u>	<u>1980</u>	<u>1981</u>
Real GNP	-1.0%	0.5%
Consumer Prices	13.0	9.9
Pre-Tax Corporate Profits	-2.8	4.3
<u>Level of:</u>		
Housing Starts (000)	1,270	1,504

4. U.S. Economic Outlook and Policy - October 17, 1980

Our best bet is that the current upturn represents a false start out of the recession. After several months of improving real activity, the recovery is likely to suffer a setback around the turn of the year. Recovery will resume after passage of a tax cut in 1981.

The recovery will be modest, with little help from consumer spending, residential construction, business investment, inventories, exports or state-local spending. Some stimulus should be provided by federal defense spending, particularly after a tax cut is enacted.

Consumer prices are expected to rise by 10 percent during 1981.

5. Chase Manhattan Bank "Business in Brief" - October 1980

The statistical evidence available for recent months indicates that the recession ended sometime during the summer. However, merely ending the recession does not assure a quick return to high employment and rising incomes. There are numerous reasons to expect the return to be gradual at best.

The capacity for major gains in consumer spending is severely constrained by rapid inflation and the low savings rate. Interest rates have bounced back to levels that discourage investment and housing. Business capital investment is still declining due to low operating rates and declining profits. Inflation has weakened economies elsewhere in the world.

Current circumstances point to a much more restrained recovery at low growth rates. During this period, recovery will be unusually vulnerable to interruption and perhaps even reversal by rapid inflation and high interest rates.

6. Prudential Insurance Economic Forecast - November, 1980

Looking ahead to 1981 we expect a relatively modest business recovery as the Federal Reserve is forced to follow a stern anti-inflation stance. Fiscal policy, even with a \$30 billion tax cut in place at midyear, also will be restrictive. Real GNP is expected to grow only 1.5 percent by yearend 1981. Unemployment is expected to plateau slightly above 8 percent. Consumer prices should rise 9½ percent during the year, reflecting substantial boosts in food and energy costs on top of a high underlying inflation rate. But inflation should be slowing later in the year in response to FED policy and lagged effects of the recession and continued sluggish economy.

APPENDIX B

MARYLAND STATE ECONOMIC STATISTICS

		Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Year
Labor Force thousands	1976	1,839	1,834	1,848	1,863	1,865	1,884	1,944	1,916	1,913	1,908	1,927	1,933	1,891
	1977	1,873	1,897	1,919	1,927	1,950	1,965	1,958	1,944	1,941	1,961	1,978	2,007	1,944
	1978	1,949	1,961	1,992	2,012	2,039	2,084	2,050	2,056	2,034	2,049	2,065	2,099	2,032
	1979	2,033	2,042	2,055	2,079	2,101	2,143	2,133	2,099	2,095	2,090	2,101	2,121	2,091
	1980	2,057	2,058	2,087	2,103	2,141	2,175	2,194	2,168	2,143				
Total Employment thousands	1976	1,712	1,717	1,732	1,749	1,772	1,786	1,801	1,781	1,776	1,772	1,775	1,778	1,763
	1977	1,745	1,752	1,791	1,814	1,841	1,852	1,844	1,835	1,839	1,847	1,863	1,884	1,826
	1978	1,825	1,833	1,871	1,905	1,935	1,961	1,932	1,950	1,938	1,948	1,955	1,970	1,919
	1979	1,902	1,901	1,935	1,966	1,993	2,017	2,008	1,974	1,981	1,974	1,979	1,985	1,968
	1980	1,908	1,914	1,952	1,977	2,010	2,023	2,044	2,033	2,016				
Unemployment thousands	1976	127	117	115	113	93	97	142	135	136	135	152	155	127
	1977	127	145	128	112	109	113	114	109	102	113	114	123	118
	1978	123	128	121	106	103	122	118	106	97	101	110	128	114
	1979	131	141	120	112	108	126	125	125	114	116	121	137	123
	1980	149	144	135	126	131	152	150	135	127				
Unemployment Rate (%)	1976	6.9	6.4	6.3	6.1	5.0	5.2	7.4	7.1	7.2	7.1	7.9	8.0	6.8
	1977	6.8	7.7	6.7	5.8	5.6	5.8	5.9	5.6	5.3	5.8	5.8	6.2	6.1
	1978	6.3	6.5	6.1	5.3	5.1	5.9	5.8	5.2	4.8	5.0	5.3	6.1	5.6
	1979	6.4	6.9	5.8	5.4	5.2	5.9	5.9	6.0	5.4	5.5	5.8	6.4	5.9
	1980	7.3	7.0	6.5	6.0	6.1	7.0	6.8	6.2	5.9				
Baltimore Area CPI-W (1967=100)	1976	-	-	170.4	-	-	173.7	-	-	176.5	-	-	178.4	173.9
	1977	-	-	182.2	-	-	185.8	-	-	188.8	-	-	190.7	185.9
	1978	-	-	195.7	-	198.0	-	201.9	-	203.5	-	203.0	-	199.6
	1979	205.0	-	210.4	-	215.3	-	221.4	-	224.9	-	227.9	-	217.5
	1980	234.5	-	243.9	-	247.8	-	250.8	-	253.2				
Washington Area CPI-W (1967=100)	1976	-	167.0	-	170.0	-	-	-	173.0	-	-	174.3	-	171.1
	1977	-	177.9	-	181.7	-	-	-	184.8	-	-	187.6	-	183.0
	1978	189.0	-	190.9	-	194.7	-	200.7	-	202.8	-	205.3	-	198.3
	1979	209.4	-	213.4	-	216.0	-	221.9	-	224.4	-	226.7	-	218.6
	1980	233.0	-	239.2	-	242.0	-	248.7	-	251.8				
Housing Starts thousands	1976	24	22	24	24	28	31	31	27	27	24	28	24	26
	1977	27	25	29	32	34	32	28	29	27	30	30	33	30
	1978	28	25	27	32	33	29	26	27	27	28	31	32	29
	1979	31	25	21	24	25	23	22	24	24	33	36	30	27
	1980	24	20	19	19	16	14	14						
Maryland Personal Income \$millions	1976	-	-	28,191	-	-	28,814	-	-	29,442	-	-	29,951	29,099
	1977	-	-	30,426	-	-	31,118	-	-	31,703	-	-	32,722	31,493
	1978	-	-	33,551	-	-	34,835	-	-	35,779	-	-	37,103	35,317
	1979	-	-	37,563	-	-	37,701	-	-	39,390	-	-	40,169	38,706
	1980	-	-	40,921	-	-	41,481	-	-					