

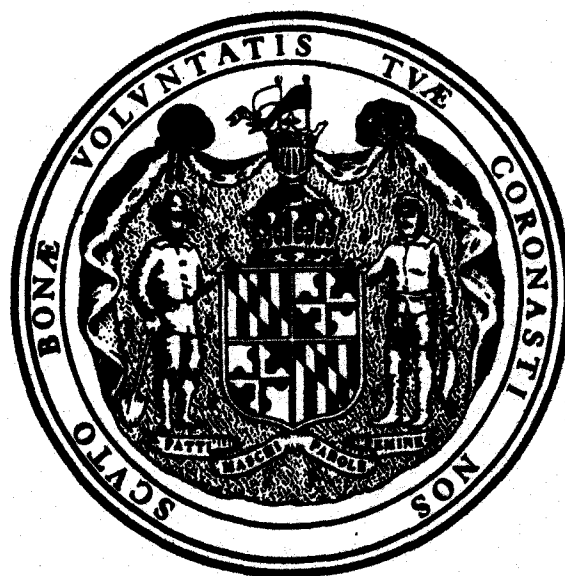
**REPORT OF THE MARYLAND  
BOARD OF REVENUE ESTIMATES  
ON  
ESTIMATED MARYLAND REVENUES**

**FISCAL YEARS ENDING**

**JUNE 30, 1982**

**AND**

**JUNE 30, 1983**



**SUBMITTED TO  
GOVERNOR HARRY R. HUGHES**

**DECEMBER 11, 1981**

STATE OF MARYLAND



**BOARD OF REVENUE ESTIMATES**  
STATE TREASURY BUILDING  
P. O. Box 466 - Phone 269-3681  
ANNAPOLIS, MARYLAND 21404

December 11, 1981

**MEMBERS**  
LOUIS L. GOLDSTEIN  
STATE COMPTROLLER  
WILLIAM S. JAMES  
STATE TREASURER  
H. LOUIS STETTNER III  
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, 1983, 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, 1982 and June 30, 1983, 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,

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H. Louis Stettler III

\_\_\_\_\_  
William S. James

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Louis L. Goldstein, Chairman

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Robert D. Rader, Executive Secretary

RDR:mb  
Enclosure

GENERAL FUND REVENUE AND APPROPRIATION ACCOUNT  
FOR FISCAL YEARS 1981, 1982 AND 1983

\$ Thousands

	1981 Actual	1982			1983		
		Present Estimate (1)	Revised Estimate	Difference	Present Estimate (1)	Revised Estimate	Difference
GENERAL FUND BALANCE (Beginning of Year)	293,078	149,831	149,831	-	152,182	155,825	3,643
ADDITIONS - GENERAL FUND REVENUE							
Individual Income Taxes	1,205,406	1,340,392	1,340,392	-	1,464,000	1,464,017	17
Corporation Income Taxes	59,710	59,032	59,032	-	62,700	57,606	(5,094)
Retail Sales and Use Taxes	753,745	819,321	819,321	-	899,600	899,614	14
Franchises, Excises, Fees	442,800	448,475	457,141	8,666	443,000	449,153	6,153
State Lottery Receipts	171,422	203,410	198,410	(5,000)	165,000	167,670	2,670
Title XIX Recoveries	59,286	49,723	49,700	(23)	54,200	53,000	(1,200)
Federal Revenue Sharing	11,022	-	-	-	-	-	-
TOTAL ADDITIONS	2,703,391	2,920,353	2,923,996	3,643	3,088,500	3,091,060	2,560
TOTAL AVAILABLE	2,996,469	3,070,184	3,073,827	3,643	3,240,682	3,246,885	6,203
DEDUCTIONS							
Appropriations	2,926,306	2,940,002	2,940,002	-	N/A	N/A	-
Less Reversions	79,668	22,000	22,000	-	N/A	N/A	-
TOTAL DEDUCTIONS	2,846,638	2,918,002	2,918,002	-	N/A	N/A	-
GENERAL FUND BALANCE (End of Year)	149,831	152,182	155,825	3,643	N/A	N/A	-

(1) Present Revenue Estimates for Fiscal Years 1982 and 1983 are based on the Board of Revenue Estimates Report of September 10, 1981.

REPORT OF THE BOARD OF REVENUE ESTIMATES  
ON ESTIMATED STATE REVENUES  
FOR THE FISCAL YEARS 1982 AND 1983

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, 1982 and June 30, 1983, 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 revenue 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 only nine months of rather sluggish recovery from the 1980 recession, the U.S. economy again slipped into decline during 1981.2. By late July, the extent of the slide began showing up in declining industrial production, slowing retail sales and rising unemployment. These trends became more pronounced during August and September. Only an increase in the level of inventories was able to offset this slide in economic activity during this period. As a result of these factors, real GNP increased by only 0.6 percent during 1981.3. A rather sharp decline in real GNP is expected during 1981.4.

The current slump reflects the impact of the Federal Reserve Board's tight money policies, which have held interest rates at very high levels for a very long period. The effect of persistently high interest rates has been particularly severe on the housing and auto sectors, where production and sales have fallen to near depression levels, and on the thrift industry, which has hovered near a financial collapse.

New housing starts, which totalled 2.0 million units in 1977 and 1978, fell to 1.3 million units in 1980 and are expected to total only 1.1 million units in 1981. This would be the

second lowest number of annual housing starts since World War II. The stock of newly-built single-family homes currently for sale now exceeds a twelve-month supply, suggesting a continuation of problems for the homebuilding industry.

New car sales, which exceeded 10.0 million units in 1977, 1978 and 1979, fell to 9.0 million units in 1980 and are expected to total only 8.9 million units in 1981. Sales of domestic cars have fallen even more precipitously, from 9.2 million units in 1978 to 6.6 million units in 1980. During 1981, domestic car sales are expected to again total 6.6 million units.

The high level of interest rates has affected other sectors of the U.S. economy. High interest rates have helped strengthen the U.S. dollar relative to foreign currencies and this combined with weakness in the European economies has reduced the demand for U.S. exports. In addition, the current level of interest rates has depressed the long-term bond market and effectively dampened government capital spending. Heavily debt-leveraged businesses are also suffering from high interest rates.

Although interest rates are declining moderately, economic prospects for 1981.4 are expected to be affected by continued deterioration in housing, autos, investment and foreign trade. Business investment is expected to be further dampened by inventory adjustments during 1981.4. Unemployment is expected to worsen during the quarter.

The outlook for early 1982 is contingent upon the behavior of interest rates and inflation. If the Federal Reserve Board adopts a more relaxed monetary policy and interest rates continue to decline, this combined with the improved inflation outlook, the recently-enacted tax cuts and the fiscal stimulus arising from the growing Federal deficit will generate a significant improvement in economic activity beginning next Spring. Real consumer spending power will be increased by the tax cuts and easing of inflation, and this should translate into increased consumer spending for nondurable goods and services.

The improvement in real spending power, coupled with even modest declines in interest rates, should improve the market outlook for autos, housing and big-ticket consumer durable goods.

A consensus of economic forecasts has economic recovery accelerating in 1982.3 as business regains buoyancy and as the second stage of the Reagan tax cuts becomes effective. Further acceleration is expected through 1983.2. Real GNP, currently expected to grow by 1.8 percent during 1981, is expected to grow by 2.1 percent during 1982 and by 4.0 percent during 1983.

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

#### State Economic Prospects

In response to sluggishness in the national economy, Maryland's economy slowed noticeably during 1980 and thus far in 1981. According to information prepared by the Employment Security

Administration, Maryland employment grew by 63,000 workers in 1977, 93,000 workers in 1978 and 49,000 workers in 1979. Maryland employment grew by only 28,000 during 1980. Through September 1981, employment has averaged 1,991,000, or 3,000 less than during the comparable period of 1980.

Accompanying these employment trends, net earnings of Marylanders, according to the U.S. Department of Commerce, grew by only 9.0 percent during 1980, after growing by 8.3 percent during 1977, 11.9 percent during 1978, and 10.5 percent during 1979. During the first half of 1981, net earnings have grown by 10.9 percent over the comparable period of 1980.

Inflation, as measured by an average of the Consumer Price Index for Baltimore and Washington urban wage earners, has increased by 10.3 percent between September 1980 and September 1981. For 1981 as a whole, inflation is expected to average 10.0 percent in Maryland. This compares with an inflation rate of 13.0 percent during 1980.

Due to the relative cyclical stability of Maryland employment, the future impacts of the current national economic situation should be relatively mild. Employment in the government sector of the Maryland economy is, however, of concern. The Federal hiring freeze has dampened the prospects for expansion of Federal employment, while the recently-enacted budget cuts are beginning to impact the State and its local governments. Although no large-scale job cutbacks are anticipated, the government sector will provide little or no boost to employment growth during 1982 or 1983.

Barring an unexpected deepening or lengthening of the current economic decline or the unforeseen effects of a harsh winter, employment should increase beyond prior year levels in both 1982 and 1983. 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 1982.

The impact of slow employment growth, moderating inflation and national economic prospects should slow the growth rate of Maryland personal income during the last half of 1981 and into 1982. Maryland personal income is currently expected to grow by 10.8 percent in 1981, by 9.5 percent in 1982 and by 10.0 percent in 1983, as the State economy returns to more normal growth rates.

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

#### State Revenue Trends and Outlook

During Fiscal Year 1981, Maryland's General Fund revenues exceeded estimates by \$50,065,214, or 1.89 percent. Federal Title XIX Recoveries contributed \$16,868,650 to this excess. Interest on Investments contributed \$11,290,191, while Individual Income Taxes contributed \$10,969,709. Retail Sales and Use Taxes exceeded estimates by \$9,737,274. All other revenues exceeded estimates by \$1,149,390.

Tax relief measures, interfund transfers and expiration of the State's participation in the Federal Revenue Sharing program reduced General Fund revenues by \$136,645,000 during Fiscal Year 1981. Legislation enacted by the 1980 General Assembly exempting up to \$200 per taxpayer of interest income reduced the State's share of Individual Income Tax collections by \$11,000,000, while a number of miscellaneous exemptions from the Retail Sales and Use Tax reduced revenues by an additional \$3,150,000. Transfers of the one percent portion of the Motor Vehicle Titling Tax and a 48 percent share of the Corporation Income Tax to the Department of Transportation reduced General Fund revenues by an additional \$87,795,000 during Fiscal Year 1981.

Fiscal Year 1982 State revenues are currently being affected by a number of factors, including the impact of the national economic situation, the loss of over \$50,000,000 in already appropriated Federal Funds, and the Federal Economic Recovery Tax Act of 1981, which liberalizes the depreciation allowances for new business investment. This legislation is expected to reduce Transportation revenues by \$4,400,000 and General Fund revenues by \$3,900,000 during Fiscal Year 1982. General Fund revenues are being reduced by an additional \$600,000 in Hospital Patient Recoveries arising from the closing of Mt. Wilson, the State tuberculosis hospital, during 1981.

General Fund revenues are being expanded by \$14,000,000 in one-time-only revenues from disposition of abandoned property during Fiscal Year 1982. Additional one-time-only General Fund revenues of \$25,000,000 are expected to be received during Fiscal Year 1982 from the sale of \$55,000,000 in instant lottery tickets.

Fiscal Year 1983 revenues will be affected by the assumed implementation of a competing Washington, D.C. lottery, the phase-in of additional revenue losses arising from the Federal Economic Recovery Tax Act of 1981 and an end to the allocation of \$1,000,000 per year in Horse Racing revenue to the State Fair Grounds. The net effect of these events are expected to reduce State revenues by \$52,700,000, of which \$43,200,000 will be General Fund revenues.

Table 1 below lists the actual State revenue for the Fiscal Year ended June 30, 1981 and the Board's current estimates for the Fiscal Years ending June 30, 1982 and June 30, 1983.

**MARYLAND REVENUE RECEIPTS**  
**FISCAL YEARS 1981, 1982 AND 1983**

	GENERAL FUND			SPECIAL FUNDS			TOTAL		
	Fiscal Year 1981 Actual	Fiscal Year 1982 Revised Estimate	Fiscal Year 1983 Estimate	Fiscal Year 1981 Actual	Fiscal Year 1982 Revised Estimate	Fiscal Year 1983 Estimate	Fiscal Year 1981 Actual	Fiscal Year 1982 Revised Estimate	Fiscal Year 1983 Estimate
	----- \$ Thousands -----								
<b>INCOME TAXES:</b>									
Individual	1,205,406	1,340,392	1,464,017	-	-	-	1,205,406	1,340,392	1,464,017
Corporation	59,710	59,032	57,606	79,155	69,571	67,711	138,865	128,603	125,317
<b>Total</b>	<b>1,265,116</b>	<b>1,399,424</b>	<b>1,521,623</b>	<b>79,155</b>	<b>69,571</b>	<b>67,711</b>	<b>1,344,271</b>	<b>1,468,995</b>	<b>1,589,334</b>
<b>RETAIL SALES AND USE TAXES</b>	<b>753,745</b>	<b>819,321</b>	<b>899,614</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>753,745</b>	<b>819,321</b>	<b>899,614</b>
<b>STATE LOTTERY RECEIPTS</b>	<b>171,422</b>	<b>198,410</b>	<b>167,670</b>	<b>214,236</b>	<b>248,948</b>	<b>205,298</b>	<b>385,658</b>	<b>447,358</b>	<b>372,968</b>
<b>TRANSPORTATION REVENUES:</b>									
Motor Vehicle Fuel Tax	-	-	-	203,492*	188,500	186,000	203,492*	188,500	186,000
Motor Vehicle Licenses, Fees	-	-	-	99,287	103,350	104,900	99,287	103,350	104,900
Motor Vehicle Titling Tax	-	-	-	133,132	150,000	175,000	133,132*	150,000	175,000
Mass Transit Fees	-	-	-	41,140	44,000	50,000	41,140	44,000	50,000
Maryland Port Fees	-	-	-	30,944	31,000	34,000	30,944	31,000	34,000
State Aviation Fees	-	-	-	17,732	21,413	25,394	17,732	21,413	25,394
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>525,727</b>	<b>538,263</b>	<b>575,294</b>	<b>525,727</b>	<b>538,263</b>	<b>575,294</b>
<b>PROPERTY TAXES, FRANCHISES, ETC.:</b>									
State Real and Personal Property Tax	-	-	-	88,840	100,341	105,794	88,840	100,341	105,794
Property Transfer Tax	-	-	-	27,937	29,000	32,000	27,937	29,000	32,000
Corporation Franchises and Filing Fees	82,633	88,777	95,415	6,310	6,352	6,397	88,943	95,129	101,812
State Tobacco Tax	56,994	54,375	54,300	16,474	15,925	15,700	73,468	70,300	70,000
Tax on Insurance Companies	61,750	67,395	70,000	-	-	-	61,750	67,395	70,000
Alcoholic Beverage Excises	19,660	19,870	20,100	10,127	10,330	10,400	29,787	30,200	30,500
Death Taxes	24,036	24,600	24,600	-	-	-	24,036	24,600	24,600
Tax on Horse Racing	11,859	13,061	14,522	4,872	4,871	4,295	16,731	17,932	18,817
District Courts	25,349	26,000	27,000	-	-	-	25,349	26,000	27,000
Hospital Patient Recoveries	29,440	30,650	33,950	-	-	-	29,440	30,650	33,950
University of Maryland, State Colleges	-	-	-	315,240	358,682	394,094	315,240	358,682	394,094
Interest on Investments	74,290	60,000	50,000	10,308	16,000	7,500	84,598	76,000	57,500
Miscellaneous Fees, Other Receipts	56,789	72,413	59,266	77,153	83,760	104,492	133,942	156,173	163,758
<b>Total</b>	<b>442,800</b>	<b>457,141</b>	<b>449,153</b>	<b>557,261</b>	<b>625,261</b>	<b>680,672</b>	<b>1,000,061</b>	<b>1,082,402</b>	<b>1,129,825</b>
<b>FEDERAL FUNDS:</b>									
Highway Transit Reimbursements, Grants	-	-	-	423,718	569,007	521,996	423,718	569,007	521,996
Human Resources	-	-	-	298,092	309,584	290,165	298,092	309,584	290,165
Public Education	-	-	-	260,464	263,192	262,525	260,464	263,192	262,525
Public Health	59,286	49,700	53,000	247,978	248,676	271,441	307,264	298,376	324,441
Law Enforcement	-	-	-	8,421	6,950	3,237	8,421	6,950	3,237
Natural Resources, Etc.	-	-	-	34,937	30,238	29,931	34,937	30,238	29,931
Federal Revenue Sharing	11,022	-	-	-	-	-	11,022	-	-
<b>Total</b>	<b>70,308</b>	<b>49,700</b>	<b>53,000</b>	<b>1,273,610</b>	<b>1,427,647</b>	<b>1,379,295</b>	<b>1,343,918</b>	<b>1,477,347</b>	<b>1,432,295</b>
<b>GRAND TOTAL</b>	<b>2,703,391</b>	<b>2,923,996</b>	<b>3,091,060</b>	<b>2,649,989</b>	<b>2,909,690</b>	<b>2,908,270</b>	<b>5,353,380</b>	<b>5,833,686</b>	<b>5,999,330</b>

\*As a result of converting to generally accepted accounting principles, in Fiscal Year 1981 Titling and Motor Fuel Taxes were augmented by \$4,240,000 and \$16,320,000, respectively, due to accrual of revenues actually received in July but attributable to June.

TABLE 1



The following table shows the current revision of the General Fund revenue surplus account for the current Fiscal Year 1982:

	<u>Present Estimate</u>	<u>Revised Estimate</u>	<u>Surplus Increase</u>
	----- \$ Thousands -----		
GENERAL FUND BALANCE (Beginning of Year)	<u>149,831</u>	<u>149,831</u>	-
ADDITIONS - GENERAL FUND REVENUE			
Individual Income Taxes	1,340,392	1,340,392	-
Corporation Income Taxes	59,032	59,032	-
Retail Sales and Use Taxes	819,321	819,321	-
Franchises, Excises, Fees	448,475	457,141	8,666
State Lottery Receipts	203,410	198,410	(5,000)
Title XIX Recoveries	49,723	49,700	(23)
Federal Revenue Sharing	-	-	-
TOTAL ADDITIONS	<u>2,920,353</u>	<u>2,923,996</u>	<u>3,643</u>
TOTAL AVAILABLE	<u>3,070,184</u>	<u>3,073,827</u>	<u>3,643</u>
DEDUCTIONS			
Appropriations	2,940,002	2,940,002	-
Less Reversions	22,000	22,000	-
TOTAL DEDUCTIONS	<u>2,918,002</u>	<u>2,918,002</u>	<u>-</u>
UNAPPROPRIATED GENERAL FUND BALANCE (End of Year)	<u>152,182</u>	<u>155,825</u>	<u>3,643</u>

It should be noted that under present law the recognition of State Lottery revenues on a current collections basis ends on June 30, 1983, thus reducing General Fund revenues by \$175 million during Fiscal Year 1984.

An extended analysis of General Fund revenues covering Fiscal Years 1977 to 1984 is contained in Table 2 following.

MARYLAND GENERAL FUND REVENUES  
FISCAL YEARS 1977 TO 1984

	1977 Actual	1978 Actual	1979 Actual	1980 Actual	1981 Actual	1982		1983 Estimate	1984 Preliminary Estimate
						Present Estimate (1)	Revised Estimate		
	----- \$ Thousands -----								
INCOME TAXES:									
Individual	806,726	884,379	1,005,511	1,096,889	1,205,406	1,340,392	1,340,392	1,464,017	1,616,000
Corporation	92,261	99,783	118,260	126,113	59,710	59,032	59,032	57,606	60,000
Total	<u>898,987</u>	<u>984,162</u>	<u>1,123,771</u>	<u>1,223,002</u>	<u>1,265,116</u>	<u>1,399,424</u>	<u>1,399,424</u>	<u>1,521,623</u>	<u>1,676,000</u>
RETAIL SALES AND USE TAXES	<u>465,858</u>	<u>628,059</u>	<u>699,188</u>	<u>712,883</u>	<u>753,745</u>	<u>819,321</u>	<u>819,321</u>	<u>899,614</u>	<u>989,000</u>
STATE LOTTERY	<u>90,769</u>	<u>112,947</u>	<u>131,533</u>	<u>166,702</u>	<u>171,422</u>	<u>203,410</u>	<u>198,410</u>	<u>167,670</u>	<u>-</u>
FRANCHISES, EXCISES, LICENSES, FEES:									
Business Franchise Taxes	74,132	61,315	68,538	79,937	82,633	85,926	88,777	95,415	100,000
State Tobacco Tax	38,228	37,621	37,113	36,971	56,994	54,375	54,375	54,300	54,200
Tax on Insurance Companies	60,805	49,871	52,668	57,475	61,750	67,395	67,395	70,000	74,000
Alcoholic Beverage Excises	18,506	18,348	19,022	19,144	19,660	19,920	19,870	20,100	20,500
Death Taxes	19,785	17,169	25,492	22,513	24,036	24,600	24,600	24,600	25,000
Motor Vehicle Titling Tax	22,824	24,936	27,210	25,419	656	-	-	-	-
Tax on Horse Racing	13,377	14,049	15,255	10,922	11,859	11,997	13,061	14,522	15,000
Hospital Patient Recoveries	17,028	18,216	18,376	20,628	29,440	30,300	30,650	33,950	34,000
Interest on Investments	13,715	25,426	57,605	67,312	74,290	60,000	60,000	50,000	50,000
District Courts	21,497	23,283	23,194	23,130	25,349	26,300	26,000	27,000	28,000
Miscellaneous	29,912	39,370	70,274	47,316	56,133	67,662	72,413	59,266	60,000
Total	<u>329,809</u>	<u>329,604</u>	<u>414,747</u>	<u>410,767</u>	<u>442,800</u>	<u>448,475</u>	<u>457,141</u>	<u>449,153</u>	<u>460,700</u>
FEDERAL TITLE XIX RECOVERIES	<u>24,298</u>	<u>22,963</u>	<u>26,661</u>	<u>34,245</u>	<u>59,286</u>	<u>49,723</u>	<u>49,700</u>	<u>53,000</u>	<u>55,000</u>
FEDERAL REVENUE SHARING	<u>48,900</u>	<u>51,782</u>	<u>46,931</u>	<u>44,532</u>	<u>11,022</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
GRAND TOTAL	<u>1,858,621</u>	<u>2,129,517</u>	<u>2,442,831</u>	<u>2,592,131</u>	<u>2,703,391</u>	<u>2,920,353</u>	<u>2,923,996</u>	<u>3,091,060</u>	<u>3,180,700</u>

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

TABLE 2

## INDIVIDUAL INCOME TAXES

Maryland's Individual Income Tax is particularly sensitive to changes in State employment and personal income. Tax Year 1980 revenues (which were received in Fiscal Years 1980 and 1981) were affected by the sluggish growth in employment and net earnings of Marylanders, which increased by only 9.0 percent during the year. Some boost to income growth was provided by interest, dividend and rental income, which grew at a rate of 19.3 percent during 1980.

Thus far, State and local receipts for Tax Year 1981 have grown at a rate of 11.4 percent. This is slightly above the 11.3 percent rate forecast prior to the September 10, 1981 Board of Revenue Estimates meeting. The forecast of Individual Income Tax revenues presented at this meeting projected a decline in the growth rate to 9.3 percent during Tax Year 1982, stemming from the current economic situation, unemployment and anticipated revenue losses from certain provisions of the Economic Recovery Tax Act of 1981. Tax Year 1983 revenues are expected to grow at a more normal 11.0 percent rate.

Tax Year 1982 State and local revenues are expected to be reduced by approximately \$20,000,000 by the recently-enacted Economic Recovery Tax Act. The State's share of this loss will be \$13,400,000 and will arise from the following sources: (1) elimination of the marriage penalty on two-income households (\$5,600,000); (2) provision of savings incentives through tax-exempt savings certificates and individual and self-employed retirement accounts (\$7,300,000); and (3) other minor tax breaks (\$500,000).

Since these tax losses will have minimal impact upon current withholding and declaration practices, they will not impact State and local revenues until the time the 1982 tax returns are filed. Consequently, all of this revenue loss will occur during Fiscal Year 1983.

On the basis of this analysis, General Fund Individual Income Tax revenues are expected to total \$1,340,392,000 in Fiscal Year 1982. This is 11.2 percent greater than in Fiscal Year 1981. Fiscal Year 1983 revenues are expected to grow by 9.2 percent to \$1,464,017,000.

Table 3 below summarizes the Individual Income Tax for each of Fiscal Years 1980 through 1983.

MARYLAND INDIVIDUAL INCOME TAX REVENUES  
FOR FISCAL YEARS 1980, 1981, 1982 AND 1983

\$ Thousands

<u>Tax Year</u>	<u>Collections</u>	<u>Percent Rate of Growth</u>	<u>1980 Actual</u>	<u>1981 Actual</u>	<u>1982 Estimate</u>	<u>1983 Estimate</u>
Prior Years	-	-	18,459	28,092	30,000	30,000
1979	1,527,543	10.5	739,904			
1980	1,684,978	10.3	859,983	824,995		
1981	1,875,381	11.3		960,561	914,820	
1982	2,050,421	9.3			1,055,915	994,506
1983	2,275,967	11.0				<u>1,160,743</u>
Total			<u>1,618,346</u>	<u>1,813,648</u>	<u>2,000,735</u>	<u>2,185,249</u>
Less: Fair Campaign Fund			108	100	100	100
- City, County, -Town			2	2	-	-
Local Tax			521,347	598,140	660,243	721,132
GAAP Reserve			-	10,000	-	-
NET TO GENERAL FUND			<u>1,096,889</u>	<u>1,205,406</u>	<u>1,340,392</u>	<u>1,464,017</u>

TABLE 3

CORPORATION INCOME TAXES

For Fiscal Years 1982 and 1983, the net Corporation Income Tax revenues will be derived from the following tax years:

<u>Tax Year</u>	<u>Fiscal Year 1982</u>	<u>Fiscal Year 1983</u>
1979 and Prior Years	1%	2%
1980	12%	-
1981	66%	5%
1982	21%	70%
1983	<u>-</u>	<u>23%</u>
Total	100%	100%

A different rate of growth was applied to each tax year receipts. For Tax Years 1981, 1982 and 1983, growth rates of -6.0 percent, 10.5 percent and 19.2 percent, respectively, were used. These growth rates reflect an average of the projected growth rates in U.S. corporate profits as forecast by Chase Econometrics, Wharton Econometrics and Manufacturers Hanover Trust. The growth rates also incorporate an historical long-run elasticity assumption regarding the relationship between Maryland Corporation Income Tax receipts and U.S. corporate profits.

During Fiscal Years 1982 and 1983, receipts will be reduced by provisions of the Economic Recovery Tax Act of 1981 which accelerate depreciation allowances on new business investment. This accelerated depreciation allowance is expected to reduce Fiscal Year 1982 revenues by \$8,300,000 (\$3,900,000 General Fund and \$4,400,000 in Transportation revenues). Fiscal Year 1983 revenues are expected to be reduced by \$18,300,000 (\$8,800,000 General Fund and \$9,500,000 in Transportation revenues).

The same growth rates in tax year receipts were used in forecasting revenues for each of Fiscal Years 1982 and 1983. Table 4 below contains a detailed analysis of net Corporation Income Tax revenues for each of Fiscal Years 1980 through 1983.

MARYLAND CORPORATION INCOME TAX REVENUES  
FOR FISCAL YEARS 1980, 1981, 1982 AND 1983  
\$ Thousands

<u>Tax Year</u>	<u>Collections</u>	<u>Percent Rate of Growth</u>	<u>1980 Actual</u>	<u>1981 Actual</u>	<u>1982 Estimate</u>	<u>1983 Estimate</u>
Prior Years	-	-	(35)	(385)	350	2,500
1978	128,639	+18.9	12,420			
1979	146,599	+14.0	100,935	15,659		
1980	138,044	- 5.8	29,774	91,227	17,043	
1981	129,761	- 6.0		32,364	90,833	6,564
1982	143,385	+10.5			28,677	100,370
1983	170,915	+19.2				<u>34,183</u>
Total			143,094	138,865	136,903	143,617
Less: Accelerated Depreciation Allowances			-	-	8,300	18,300
Maryland Port Administration			16,981	17,136	14,918	14,537
Department of Transportation			-	<u>62,019</u>	<u>54,653</u>	<u>53,174</u>
NET TO GENERAL FUND			<u>126,113</u>	<u>59,710</u>	<u>59,032</u>	<u>57,606</u>

TABLE 4

## RETAIL SALES AND USE TAXES

Through November, Retail Sales and Use Tax collections have grown at a rate of 8.3 percent over collections during the same period of Fiscal Year 1981. This growth has been largely centered in the consumer-related categories of food and beverages; general merchandise; furniture, fixtures and appliances; and apparel. All of these categories have experienced healthy growth rates.

On the other hand, the construction-related industries have reflected the slump affecting housing. This is significant since the construction sector of the economy has a ripple effect upon other sectors of the economy. The demand for houses also influences the demand for household furniture, appliances and other so-called "big ticket" items. Unemployment will also have a negative impact upon overall demand.

The slump affecting the U.S. economy is expected to moderate the growth in Maryland's retail sales and consequently to dampen the growth in Maryland's sales tax receipts. However, a number of factors point toward a relatively mild slump in consumer spending. These factors may also add some boost to economic recovery during 1982.

During the last 1½ years, consumer debt burdens have lessened, while their cash-type asset positions have strengthened. Consumer debt service as a percent of after-tax earnings has steadily declined to 21.2 percent during 1981.2, well under the averages of 22.3 percent during 1978 and 22.5 percent during 1979--years of sustained economic expansion. In addition, consumer loan delinquencies in June 1981 were at the lowest level since January 1979, fourteen months before the last recession.

The easing of inflation and the second stage of tax cuts will increase consumer spending power during 1982 and this should spur Retail Sales and Use Tax collections.

On the basis of these factors, Retail Sales and Use Tax collections are expected to total \$819,321,000 during Fiscal Year 1982, 8.7 percent above Fiscal Year 1981 collections. For Fiscal Year 1983, the Board projects these revenues will rise by 9.8 percent to \$899,614,000.

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
1981	373,677	11,981	385,658	171,422

During Fiscal Year 1982, gross receipts of \$386,433,000 are expected from the daily "Numbers Game." An additional \$5,925,000 is expected from the recently-eliminated weekly games and their replacement games, which are scheduled to begin operations this Spring. Gross sales from two Instant Games during Fiscal Year 1982 will total an additional \$55,000,000.

After deduction of seller's commissions, administrative expenses and prizes, net receipts of \$198,410,000 are expected to be received by the General Fund from State Lottery sales. This is \$5,000,000 less than forecast by the Board on September 10, 1981. This reduction is due to an \$11,000,000 reduction in Instant Game ticket sales approved by the Governor subsequent to this date.

Fiscal Year 1983 revenues are expected to be reduced by competition from a legalized daily lottery in Washington, D.C. Implementation of such a lottery could reduce Maryland's gross receipts from the daily and new weekly games to \$372,968,000 during Fiscal Year 1983. Of this amount, \$167,670,000 is estimated to be available to the 1983 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. Over this five-year period, interest earnings have increased an incredible 442 percent.

After climbing during most of Calendar Year 1981, interest rates have peaked and are declining sharply. Accordingly, the Board projects earnings on General Fund investments will drop off to \$60,000,000 in Fiscal Year 1982 and to decline further to \$50,000,000 in Fiscal Year 1983.



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 1982, Alcoholic Beverage Taxes are expected to grow by 1.1 percent above Fiscal Year 1981 receipts, and Fiscal Year 1983 receipts are projected to grow by an additional 1.2 percent.

Following is a current analysis of these revenues:

	<u>1980 Actual</u>	<u>1981 Actual</u>	<u>1982 Revised Estimate</u>	<u>1983 Estimate</u>
	----- \$ Thousands -----			
Tax on Distilled Spirits Total Revenue	16,673	16,697	16,750	16,800
Less - Share to Local Governments	<u>5,569</u>	<u>5,528</u>	<u>5,580</u>	<u>5,600</u>
Balance to General Fund	<u>11,104</u>	<u>11,169</u>	<u>11,170</u>	<u>11,200</u>
Tax on Wine (General Fund)	<u>3,296</u>	<u>3,540</u>	<u>3,600</u>	<u>3,700</u>
Tax on Beer Total Revenue	9,258	9,550	9,850	10,000
Less - Share to Local Governments	<u>4,514</u>	<u>4,599</u>	<u>4,750</u>	<u>4,800</u>
Balance to General Fund	<u>4,744</u>	<u>4,951</u>	<u>5,100</u>	<u>5,200</u>
<b>TOTAL TO GENERAL FUND</b>	<u><u>19,144</u></u>	<u><u>19,660</u></u>	<u><u>19,870</u></u>	<u><u>20,100</u></u>

STATE TOBACCO TAX

State Tobacco Tax collections were augmented by an increase in the tax rate from 10¢ to 13¢ per pack plus deferred revenues and floorstocks tax receipts totalling \$2,475,000 during Fiscal Year 1981. A continuing decline in per capita consumption will result in a fall-off in these revenues in Fiscal Years 1982 and 1983, as seen in the table below:

	<u>1980 Actual</u>	<u>1981 Actual</u>	<u>1982 Revised Estimate</u>	<u>1983 Estimate</u>
	----- \$ Thousands -----			
Total Revenue	52,423	73,468	70,300	70,000
Less - Share to Counties and Baltimore City	<u>15,452</u>	<u>16,474</u>	<u>15,925</u>	<u>15,700</u>
<b>BALANCE TO GENERAL FUND</b>	<u><u>36,971</u></u>	<u><u>56,994</u></u>	<u><u>54,375</u></u>	<u><u>54,300</u></u>

REAL AND PERSONAL PROPERTY TAXES

The State's assessable basis for Fiscal Year 1982, as prepared by the Department of Assessments and Taxation, is \$47,781,235,000. The Department projects that the Fiscal Year 1983 assessable basis will increase by 5.4 percent to \$50,378,229,000.

The State tax rate for the current 1981-82 year is 21¢ 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 21¢ rate is as follows:

Fiscal Year 1982	\$100,341,000
Fiscal Year 1983	\$105,794,000

CORPORATION FRANCHISE TAXES AND FILING FEES

	<u>1980 Actual</u>	<u>1981 Actual</u>	<u>1982 Revised Estimate</u>	<u>1983 Estimate</u>
	----- \$ Thousands -----			
Franchise Tax on Gross Receipts	59,460	67,590	74,010	79,930
Franchise Tax on Net Earnings of Savings Banks, Building and Loan Associations	5,024	5,301	5,300	5,300
Franchise Tax on Building and Loan Associations	1,077	1,220	1,287	1,350
Domestic Corporation Filing Fees	2,165	2,114	2,209	2,300
Filing Fees on Foreign Corporations	528	546	573	595
Franchise Tax on Net Earnings of Financial Institutions	<u>17,739</u>	<u>12,172</u>	<u>11,750</u>	<u>12,337</u>
TOTAL	85,993	88,943	95,129	101,812
LESS - Allocations to Local Governments:				
Franchise Tax on Net Earnings of Savings Banks, Building and Loan Associations	4,973	5,253	5,247	5,247
Domestic Corporation Filing Fees	<u>1,083</u>	<u>1,057</u>	<u>1,105</u>	<u>1,150</u>
BALANCE TO GENERAL FUND	<u>79,937</u>	<u>82,633</u>	<u>88,777</u>	<u>95,415</u>

DEATH TAXES

	<u>1980 Actual</u>	<u>1981 Actual</u>	<u>1982 Revised Estimate</u>	<u>1983 Estimate</u>
	----- \$ Thousands -----			
Collateral Inheritance Tax	12,031	12,677	13,450	14,000
Direct Inheritance Tax	4,212	4,392	4,575	4,750
Maryland Estate Tax	4,257	4,938	4,350	3,350
Tax on Commissions of Executors and Administrators	<u>2,013</u>	<u>2,029</u>	<u>2,225</u>	<u>2,500</u>
TOTAL	<u>22,513</u>	<u>24,036</u>	<u>24,600</u>	<u>24,600</u>

UNIVERSITY OF MARYLAND, STATE COLLEGES

	<u>1980 Actual</u>	<u>1981 Actual</u>	<u>1982 Revised Estimate</u>	<u>1983 Estimate</u>
	----- \$ Thousands -----			
University of Maryland	218,311	257,860	297,607	327,190
Bowie State College	2,925	3,399	3,629	4,297
Coppin State College	2,508	2,245	2,265	2,682
Frostburg State College	6,502	7,539	8,266	9,001
Salisbury State College	5,878	7,101	7,817	8,571
Towson State University	16,422	19,870	21,462	23,001
University of Baltimore	4,139	4,862	5,437	5,804
St. Mary's College of Maryland	2,743	3,311	4,121	4,742
Morgan State University	<u>7,766</u>	<u>9,053</u>	<u>8,078</u>	<u>8,806</u>
TOTAL	<u>267,194</u>	<u>315,240</u>	<u>358,682</u>	<u>394,094</u>

### TRANSPORTATION REVENUES

The outlook for Maryland's Motor Vehicle User revenues continues to be affected by economic prospects and the outlook for new car sales.

New car sales are expected to total only 8.9 million units during 1981 and are currently forecast to total between 9.1 million and 9.9 million units during 1982. During 1983, new car sales are projected to total between 10.1 million and 11.1 million units. Based upon the outlook for new and used motor vehicle sales, the Motor Vehicle Titling Tax is currently forecast to yield approximately \$150,000,000 in Fiscal Year 1982 and \$175,000,000 during Fiscal Year 1983.

Motor fuel supplies are currently adequate and are expected to remain so through June 1983. On the expectation that motor fuel prices will remain relatively stable through much of this year, some small growth in Motor Fuels Tax receipts should occur during Fiscal Year 1982. However, based upon future price prospects, the trend towards more fuel-efficient new cars and other conservation measures, the trend of motor fuels consumption should resume its decline during Fiscal Year 1983. On the basis of this outlook, Maryland's Motor Fuels Tax receipts are expected to yield \$188,500,000 during Fiscal Year 1982 and \$186,000,000 during Fiscal Year 1983.

The 1981 General Assembly increased the fee for all duplicate documents from \$1.00 to \$2.00. This will augment Miscellaneous Motor Vehicle Fees by approximately \$1,000,000 during each of Fiscal Years 1982 and 1983. Legislation was also enacted which increases the Driver's Education fee from \$15.00 to \$20.00. This will increase these revenues by an additional \$1,000,000 during each of Fiscal Years 1982 and 1983.

All other sources of Transportation revenues are expected to increase in line with past trends, as summarized in Table 5 below.

MARYLAND MOTOR VEHICLE USER REVENUES  
FOR FISCAL YEARS 1980, 1981, 1982 AND 1983

\$ Thousands

	1980 <u>Actual</u>	1981 <u>Actual</u>	1982		1983 <u>Estimate</u>
			<u>Present Budget Estimate</u>	<u>Revised Estimate</u>	
MOTOR VEHICLE REVENUES:					
Motor Vehicle Licenses and Registration	83,957	86,541	86,000	88,000	89,000
Miscellaneous Motor Vehicle Fees	3,849	4,026	3,900	5,100	5,200
Wreckers and Scrappers Recording Charge	751	720	800	800	850
Security Interest Filing Fees - Counties	868	809	1,000	900	1,000
Security Interest Filing Fees - Special Funds	869	788	1,000	900	1,000
Security Interest Filing Fees - Court Costs	1,736	1,617	2,000	1,800	2,000
Hauling Fees	1,331	1,224	1,500	1,300	1,300
Driver's Education Licenses, Fees	3,302	3,212	3,300	4,200	4,200
Special License Tags - Special Funds	350	350	350	350	350
Special License Tags - General Fund	258	345*	325	400	400
Motor Vehicle Titling Tax	<u>127,096</u>	<u>133,132</u>	<u>155,000</u>	<u>150,000</u>	<u>175,000</u>
Total	224,367	232,764	255,175	253,750	280,300
Motor Vehicle Fuel Tax	<u>187,272</u>	<u>203,492*</u>	<u>179,000</u>	<u>188,500</u>	<u>186,000</u>
GRAND TOTAL	<u>411,639</u>	<u>436,256</u>	<u>434,175</u>	<u>442,250</u>	<u>466,300</u>

\*As a result of converting to generally accepted accounting principles, in Fiscal Year 1981 Titling and Motor Fuel Taxes were augmented by \$4,240,000 and \$16,320,000, respectively, due to accrual of revenues actually received in July but attributable to June.

TABLE 5

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 1982 and 1983:

1. Wharton Quarterly Model Forecast - October 31, 1981

Although a sharp worsening of recessionary conditions is not expected, the economy is expected to remain sluggish until mid-1982. Continued softness in residential construction, business fixed investment and automobiles (which have been affected by high interest rates and slow growth in real incomes), a deteriorating trade balance and some downward adjustments in inventories will continue to adversely affect the economy over the next several months.

Moderate recovery can be expected as interest rates decline and a second and third stage of the tax cuts go into effect in July 1982 and July 1983. The extent of this recovery is contingent upon the monetary policies of the Federal Reserve. Our forecast is that the Fed has already adopted a more relaxed policy, which will allow interest rates to maintain this recent decline.

The following table summarized key elements of the Wharton forecast for the 1981, 1982 and 1983 calendar years:

	<u>1981</u>	<u>1982</u>	<u>1983</u>
<u>Percent Change In:</u>			
Real GNP	1.9%	0.5%	4.1%
Consumer Prices	10.4	8.2	7.6
Pre-Tax Corporate Profits	-3.5	3.5	26.9
<u>Level Of:</u>			
New Car Sales (000)	-	9,100	10,100
Housing Starts (000)	1,120	1,200	1,600

2. Chase Econometric Macro Report - October 26, 1981

The economy is currently declining more sharply than previously expected, although it should not be as severe as in the last two recessions. The current weakness reflects the effects of high interest rates on the credit-sensitive housing, auto and farm equipment sectors. In addition, high rates are contributing to weakness in the foreign trade, government and consumer spending sectors as the dollar strengthens, the municipal bond market deteriorates and household wealth shrinks. We now expect a 3% decline in real GNP in 1981.4 and a very

small increase in 1982.1. However, continued higher interest rates could cause an even weaker economy during this period.

If interest rates decline, this combined with the improved inflation outlook and the relatively large fiscal stimulus stemming from the federal deficit will generate a significant improvement in economic activity beginning next Spring. The combined easing of inflation and personal tax cuts will increase real consumer spending power, and even slow and modest declines in interest rates will also help reverse the sharp declines in housing, autos and capital investment.

The following table summarizes key elements of the Chase forecast for the 1981, 1982 and 1983 calendar years:

	<u>1981</u>	<u>1982</u>	<u>1983</u>
<u>Percent Change In:</u>			
Real GNP	1.8%	1.4%	4.2%
Consumer Prices	10.4	8.9	8.0
Pre-Tax Corporate Profits	-6.2	5.9	17.7
<u>Level Of:</u>			
New Car Sales (000)	8,900	9,900	11,100
Housing Starts (000)	1,100	1,260	1,700

### 3. National City Bank of Minneapolis (Heller-Perry) - October 15, 1981

The Federal Reserve Board's tight money policy has imposed severe strains on the economy. As a result, there will be a recession or at least sluggishness in the economy until the second stage of the tax cut in 1982.

There are many areas of weakness in our economy, including: housing, which will deteriorate further due to high interest rates; capital spending; inventories, which will have to be reduced in coming months; personal consumption; net exports, which have been impacted by the recent strengthening of the dollar; and government spending. These combined factors will cause a modest decline during 1981.4 which will extend into the first half of 1982.

During the second half of 1982, expansion should start with an easing of inflation and interest rates which will be coupled with the fiscal stimulus of the second stage of the tax cut and increased defense spending.

### 4. Prudential Insurance Economic Forecast - November 1981

The economy turned down in the Spring for a third consecutive year, but this time the retreat continued as interest rates reached new highs and the Fed remained committed to a vigorous anti-inflation policy. The economic malaise, confined earlier to specific industries and regions, widened by Autumn to other sectors and deepened into a moderate recession.

During 1982, we expect real GNP to grow 2 percent by year end, with almost all the improvement in the second half. Moderate sustainable growth should be underway by midyear as (1) inflation and interest rates continue to recede, (2) a further 10 percent tax cut becomes effective and (3) Reagan savings-investment initiatives gain momentum.



APPENDIX B  
MARYLAND STATE ECONOMIC STATISTICS

		Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Year
Labor Force (thousands)	1977	1,872	1,896	1,917	1,921	1,948	1,975	1,969	1,956	1,950	1,957	1,970	1,997	1,944
	1978	1,939	1,947	1,975	2,012	2,035	2,084	2,080	2,060	2,042	2,053	2,069	2,102	2,032
	1979	2,029	2,036	2,048	2,070	2,093	2,150	2,129	2,094	2,099	2,097	2,111	2,139	2,091
	1980	2,087	2,094	2,117	2,132	2,154	2,169	2,174	2,142	2,119	2,130	2,133	2,144	2,133
	1981	2,112	2,111	2,112	2,124	2,138	2,186	2,179	2,154	2,157	2,147			
Total Employment (thousands)	1977	1,744	1,750	1,788	1,809	1,838	1,861	1,854	1,847	1,848	1,843	1,856	1,874	1,826
	1978	1,816	1,820	1,854	1,906	1,932	1,962	1,960	1,954	1,945	1,951	1,957	1,971	1,919
	1979	1,897	1,894	1,927	1,957	1,984	2,022	2,002	1,969	1,986	1,983	1,991	2,003	1,968
	1980	1,946	1,954	1,982	2,003	2,024	2,019	2,024	2,001	1,987	1,999	2,003	2,012	1,996
	1981	1,954	1,950	1,966	1,990	2,005	2,031	2,022	1,999	2,003	1,988			
Unemployment (thousands)	1977	128	145	129	113	110	114	115	109	103	114	114	123	118
	1978	123	127	121	106	103	122	119	106	97	102	111	131	114
	1979	131	142	120	113	109	127	127	125	113	114	120	135	123
	1980	141	140	136	129	130	151	150	141	132	131	131	132	137
	1981	157	161	146	135	133	155	157	155	154	159			
Unemployment Rate (%)	1977	6.8	7.7	6.7	5.9	5.6	5.8	5.8	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	5.7	5.1	4.7	5.0	5.4	6.2	5.6
	1979	6.5	7.0	5.9	5.5	5.2	5.9	6.0	6.0	5.4	5.4	5.7	6.3	5.9
	1980	6.8	6.7	6.4	6.0	6.0	6.9	6.9	6.6	6.2	6.1	6.1	6.2	6.4
	1981	7.5	7.6	6.9	6.3	6.2	7.1	7.2	7.2	7.2	7.4			
Baltimore Area CPI-W (1967=100)	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	-	257.4	-	247.9
	1981	262.6	-	269.3	-	268.6	-	273.7	-	281.6				
Washington Area CPI-W (1967=100)	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	-	255.7	-	245.1
	1981	259.4	-	264.2	-	267.7	-	271.4	-	275.7				
Housing Starts (thousands)	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	17	25	29	30	25	21
	1981	20	17	18	21	22	19							
Maryland Personal Income (\$millions)	1977	-	-	30,409	-	-	31,102	-	-	31,686	-	-	32,698	31,629
	1978	-	-	33,545	-	-	34,836	-	-	35,782	-	-	37,119	35,502
	1979	-	-	37,219	-	-	38,137	-	-	39,188	-	-	40,329	39,717
	1980	-	-	41,276	-	-	42,570	-	-	43,992	-	-	45,515	44,210
	1981	-	-	46,499	-	-	47,344	-	-					

\*Annual totals.