Maryland State & Local Taxes
Shares of family income for non-elderly taxpayers

Institute on Taxation & Economic Policy, January 2013

Note: Figures show permanent law in Maryland enacted through January 2, 2013 at 2010 income levels. Top figure represents total state and local taxes as a share of personal income, post-federal offset.
Progressive Features

- Income tax uses a graduated rate structure
- Provides a partially refundable earned income tax credit (EITC)
- Sales tax base excludes groceries

Regressive Features

- Fails to index income tax provisions to inflation
- Fails to use combined reporting as part of its corporate income tax

Recent Developments

- Increased personal income tax rates starting at taxable income of $100,000 (Single) and $150,000 (Married). New top rate is 5.75 percent
- Enacted a phase-out of the personal exemption between taxable income of $150,000 and $200,000
- Increased the sales tax on alcohol from 6 to 9 percent
- Increased tax on tobacco products