

TOP STORY ■■■

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Md. 'millionaire's tax' debate is back

By Stateline.org Staff Reports

A headline in this morning's *Baltimore Sun* — "[Maryland lost nearly 30% of millionaires last year](#)" — is sure to revive a debate over the higher tax rates that Free State legislators imposed on millionaires in 2008. At least eight other states this year followed Maryland's lead and raised income taxes on the wealthy.

As *The Sun* reports, the Maryland state comptroller found that the number of state residents with net taxable income of \$1 million or more declined from 7,067 in 2007 to 4,910 last year — the lowest number in four years. Maryland Republicans who opposed hiking taxes on millionaires in 2008 predicted that the higher rates would drive the wealthy to move to other states with lower income taxes. Democrats refuted that notion.

While the Maryland comptroller's analysis makes no conclusions about the reasons behind the sharp drop in millionaires — though everyone acknowledges that the recession played a big role — it does note that 542 millionaires who filed returns in Maryland in 2007 did not do so last year. "That means they either died, left the state or didn't file a return," *The Sun* notes.

That number may give ammunition to Republicans. "The economic reality is that people vote with their feet," Republican David Brinkley, a Maryland state senator, told *The Sun*.

At least one study, however, has concluded that there is no evidence that Maryland's millionaires are leaving because of higher taxes. "Where have all of Maryland's millionaires gone?" the [Institute on Taxation and Economic Policy asked in May](#). "Nowhere — they're probably just not millionaires anymore."

The debate over higher taxes for the wealthy has exploded around the country this year. *Stateline.org* [reported in September](#) that a record eight states — Connecticut, Delaware, Hawaii, New Jersey, New York, North Carolina, Oregon and Wisconsin — raised income taxes on top earners during their most recent legislative sessions. In most of those states, the debate broke down along sharply partisan lines.

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