

## Anne Arundel County Progressive Income Tax Scenarios -- Tax Year 2017 Data

### Scenario #1 - Increase top bracket to 3.2%, all other brackets remain unchanged

	Current Rate				
	Returns		Tax Revenue		
Maryland Adjusted Gross Income	% of Total	Cumulative % of Total	Tax Revenue at Current Rate	% of Total	Cumulative % of Total
\$0 - \$29,999	22.5%		13,869,588	2.6%	
\$30,000 - \$69,999	31.8%	54.3%	68,819,946	13.1%	15.7%
\$70,000 - \$149,999	29.3%	83.6%	154,711,586	29.4%	45.2%
\$150,000 - \$499,999	15.1%	98.7%	192,323,053	36.6%	81.8%
> \$500,000	1.3%	100.0%	95,621,248	18.2%	100.0%
			525,345,421		

Progressive Tax Example				
		Tax Revenue		
Tax Rate	Effective Tax Rate	Tax Revenue at Progressive Rates	% of Total	Cumulative % of Total
2.81%	2.81%	13,869,588	2.6%	
2.81%	2.81%	68,819,946	12.9%	15.6%
2.81%	2.81%	154,711,586	29.1%	44.6%
2.81%	2.81%	192,323,053	36.2%	80.8%
3.20%	2.94%	102,038,665	19.2%	100.0%
		531,762,838		
<b>Revenue Change</b>		<b>6,417,416</b>		

\*\* This analysis assumes all taxpayers will pay the proposed rates regardless of filing status

### Scenario #2 - Increase top bracket to 3.2%, Decrease Bottom Bracket to Bring to Revenue Neutral

	Current Rate				
	Returns		Tax Revenue		
Maryland Adjusted Gross Income	% of Total	Cumulative % of Total	Tax Revenue at Current Rate	% of Total	Cumulative % of Total
\$0 - \$29,999	22.5%		13,869,588	2.6%	
\$30,000 - \$69,999	31.8%	54.3%	68,819,946	13.1%	15.7%
\$70,000 - \$149,999	29.3%	83.6%	154,711,586	29.4%	45.2%
\$150,000 - \$499,999	15.1%	98.7%	192,323,053	36.6%	81.8%
> \$500,000	1.3%	100.0%	95,621,248	18.2%	100.0%
			525,345,421		

Progressive Tax Example				
		Tax Revenue		
Tax Rate	Effective Tax Rate	Tax Revenue at Progressive Rates	% of Total	Cumulative % of Total
2.60%	2.60%	12,833,071	2.4%	
2.81%	2.69%	66,527,849	12.7%	15.1%
2.81%	2.76%	152,596,015	29.1%	44.2%
2.81%	2.79%	191,232,743	36.4%	80.6%
3.20%	2.93%	101,946,401	19.4%	100.0%
		525,136,079		
<b>Revenue Change</b>		<b>(209,343)</b>		

\* This analysis assumes all taxpayers will pay the proposed rates regardless of filing status

\*\* Tax reduction to all but top bracket

**Scenario #3 - Progressive Tax Brackets, Top Bracket 3.2%, Revenue Neutral**

Current Rate						Progressive Tax Example					
Maryland Adjusted Gross Income	Returns		Tax Revenue			Tax Rate	Effective Tax Rate	Tax Revenue			
	% of Total	Cumulative % of Total	Tax Revenue at Current Rate	% of Total	Cumulative % of Total			Tax Revenue at Progressive Rates	% of Total	Cumulative % of Total	
\$0 - \$29,999	22.5%		13,869,588	2.6%		2.65%	2.65%	13,079,860	2.5%		
\$30,000 - \$69,999	31.8%	54.3%	68,819,946	13.1%	15.7%	2.70%	2.67%	66,100,902	12.6%	15.1%	
\$70,000 - \$149,999	29.3%	83.6%	154,711,586	29.4%	45.2%	2.81%	2.71%	149,405,867	28.4%	43.5%	
\$150,000 - \$499,999	15.1%	98.7%	192,323,053	36.6%	81.8%	3.10%	2.76%	191,870,815	36.5%	80.0%	
> \$500,000	1.3%	100.0%	95,621,248	18.2%	100.0%	3.20%	3.04%	105,417,266	20.0%	100.0%	
			525,345,421							525,874,711	
<b>Revenue Change</b>								<b>529,290</b>			

\* This analysis assumes all taxpayers will pay the proposed rates regardless of filing status  
 \*\* Tax reduction to taxpayer with AGI < \$299,999

**Scenario #4 - Progressive Tax Brackets, Top Bracket 3.0%, Revenue Neutral**

Current Rate						Progressive Tax Example					
Maryland Adjusted Gross Income	Returns		Tax Revenue			Tax Rate	Effective Tax Rate	Tax Revenue			
	% of Total	Cumulative % of Total	Tax Revenue at Current Rate	% of Total	Cumulative % of Total			Tax Revenue at Progressive Rates	% of Total	Cumulative % of Total	
\$0 - \$29,999	22.5%		13,869,588	2.6%		2.65%	2.65%	13,079,860	2.5%		
\$30,000 - \$69,999	31.8%	54.3%	68,819,946	13.1%	15.7%	2.81%	2.72%	67,073,586	12.8%	15.3%	
\$70,000 - \$149,999	29.3%	83.6%	154,711,586	29.4%	45.2%	2.81%	2.77%	153,099,722	29.1%	44.4%	
\$150,000 - \$499,999	15.1%	98.7%	192,323,053	36.6%	81.8%	2.90%	2.79%	192,200,607	36.6%	81.0%	
> \$500,000	1.3%	100.0%	95,621,248	18.2%	100.0%	3.00%	2.90%	99,797,729	19.0%	100.0%	
			525,345,421							525,251,504	
<b>Revenue Change</b>								<b>(93,918)</b>			

\* This analysis assumes all taxpayers will pay the proposed rates regardless of filing status  
 \*\* Tax reduction to taxpayer with AGI < \$249,999

**Progressive Income Tax Examples -- AA County Scenario #3**

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Progressive Income Tax Example -- \$150,000 Taxable Income

Tax Bracket	Income Subject		Tax Paid	Effective Tax Rate
	to Tax	Tax Rate		
\$0 - \$29,999	29,999	2.65%	795	
\$30,000 - \$69,999	40,000	2.70%	1,080	
\$70,000 - \$149,999	80,000	2.81%	2,248	
\$150,000 - \$499,999	1	3.10%	0.03	
<b>Total</b>	<b>150,000</b>		<b>4,123</b>	<b>2.75%</b>

\* Only income above the start of tax bracket is taxed at that rate

Progressive Income Tax Example -- \$175,000 Taxable Income

Tax Bracket	Income Subject		Tax Paid	Effective Tax Rate
	to Tax	Tax Rate		
\$0 - \$29,999	29,999	2.65%	795	
\$30,000 - \$69,999	40,000	2.70%	1,080	
\$70,000 - \$149,999	80,000	2.81%	2,248	
\$150,000 - \$499,999	25,001	3.10%	775	
<b>Total</b>	<b>175,000</b>		<b>4,898</b>	<b>2.80%</b>

\* Only income above the start of tax bracket is taxed at that rate

Progressive Income Tax Example -- \$750,000 Taxable Income

Tax Bracket	Income Subject		Tax Paid	Effective Tax Rate
	to Tax	Tax Rate		
\$0 - \$29,999	29,999	2.65%	795	
\$30,000 - \$69,999	40,000	2.70%	1,080	
\$70,000 - \$149,999	80,000	2.81%	2,248	
\$150,000 - \$499,999	350,000	3.10%	10,850	
> \$500,000	250,001	3.20%	8,000	
<b>Total</b>	<b>750,000</b>		<b>22,973</b>	<b>3.06%</b>

\* Only income above the start of tax bracket is taxed at that rate