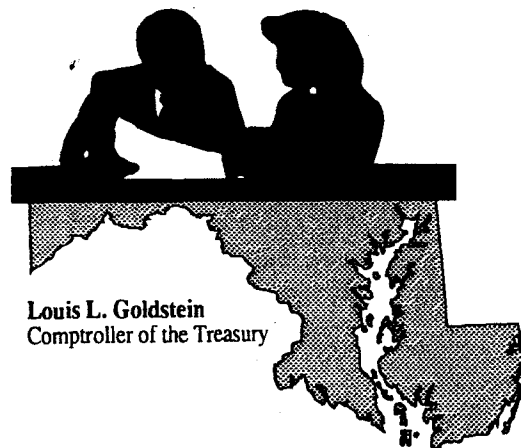


State of Maryland

Consolidated Revenue Report

Fiscal Year 1993



Louis L. Goldstein
Comptroller of the Treasury

Serving Maryland taxpayers

To the Governor, Members of the General Assembly and the People of Maryland:

I am pleased to submit to you this fourth consolidated annual report on those revenues collected by the Comptroller of the Treasury. This report is not intended to replace the Comprehensive Annual Financial Report, also issued by my office, which summarizes the annual financial activities of the state. Instead, this report focuses upon the revenue collecting activities of my office.

During fiscal year 1993, the Comptroller's Office collected \$7.552 billion in revenues. Of this amount, \$5.190 billion was deposited into the state's general fund, \$1.728 billion was collected for distribution to Maryland's counties and municipalities, and \$634 million was collected for the Department of Transportation and other special fund agencies of the state. These revenues were collected at a cost to the taxpayers of 63¢ per \$100 collected.

During fiscal year 1993, the Comptroller's Office implemented a pioneering data imaging technology to record, intelligently interpret and process individual income tax returns. The Maryland Comptroller's Office is the first revenue agency in the nation to use this advanced technology.

Our office also began testing a new consolidated tax administration computer system during fiscal year 1993. Maryland is only the fourth state to undergo such an extensive consolidation of its tax administration system. The individual income tax portion of the system is on line and will be used to process account data for tax year 1993 individual returns, due by April 15, 1994.



The Maryland State Comptroller's Office continues to be a leader, increasing the efficiency of the revenue collection process in many ways.

I trust this report will help you understand the organization and operations of my office and its efforts to fairly and equitably enforce Maryland's tax laws.

Cordially,

A handwritten signature in dark ink, appearing to read "Louis L. Goldstein". The signature is written in a cursive style.

Louis L. Goldstein
Comptroller of the Treasury
State of Maryland

For further information, contact:
Comptroller of the Treasury, Box 466, Louis L. Goldstein Treasury Building,
Annapolis, Maryland 21404 (410) 974-3801

Mission Statement

The Comptroller's Office is dedicated to carrying out its duties and responsibilities equitably, effectively and efficiently; to providing excellent service while treating Maryland taxpayers fairly and courteously; to responsibly managing public resources; and to maintaining and improving the integrity of Maryland's finances and the excellence of Maryland's fiscal reputation.



Organization

The mission of the Comptroller of the Treasury may be cast into four major functions: (1) Financial Control, which includes accounting for revenues and expenditures, revenue estimating and payroll operations; (2) Revenue Administration, which includes administering and enforcing the state and local income taxes, the sales and use, motor fuels, alcoholic beverages and tobacco, energy generation, and estate taxes, emergency telephone system tax, unclaimed property and the local admissions and amusement taxes; (3) Regulation, which includes regulating the alcohol, tobacco and motor fuel industries; and (4) Data Services, which entails responsibility for data processing/computer services for most state agencies.

The comptroller began a major reorganization along functional lines during fiscal year 1993, and this description reflects the ultimate form of that reorganization.

Office of the State Comptroller

This is the headquarters of the agency which coordinates the activities of the several divisions and exercises top level direction and control of the entire agency. It includes personnel administration, public affairs, finance and budget preparation and central services and the employee training program. This office establishes salary scales for all employees of the registers of wills and authorizes equipment purchases for all registers' offices.

Financial Control

General Accounting Division

The General Accounting Division maintains the state's general ledger and other official accounting records, which account for all state funds; exercises overall appropriation control; performs compliance auditing on all disbursements; approves warrants for all money to be paid into or out of the treasury; countersigns and distributes all state treasury checks; promulgates general guidance on matters concerning internal control; prepares the state's comprehensive annual financial reports and certain other financial reports; makes certain calcula-

tions concerning the administration and distribution of revenues; and manages the contract for the audit of the state's annual financial report and all federal grants to the state.

Bureau of Revenue Estimates

The Bureau of Revenue Estimates carries on continuing studies and reviews of the economic and business situations as they affect the revenue of the state. The bureau serves as executive secretariat to the Board of Revenue Estimates, which is composed of the state comptroller, state treasurer and secretary of budget and fiscal planning. It prepares various reports on revenues throughout the year.

Central Payroll Bureau

The Central Payroll Bureau pays biweekly salaries to state employees of the legislative, judicial and executive branches as well as the University of Maryland System. Special payments for services on a contractual basis are also paid through this bureau.

Revenue Administration

Revenue Administration Division

This division collects and deposits state and local income taxes, sales and use taxes, motor fuel taxes, alcohol and tobacco taxes, the energy generation surcharge, tire recycling fee, the emergency telephone system tax, fees for telecommunication access of Maryland, and local admissions and amusement taxes.

The Revenue Administration division is responsible for taxpayer service, revenue accounting and distribution, taxpayer accounting, registration and licensing and returns processing.

Compliance Division

This division is responsible for business tax audits, compliance programs, delinquent tax collection, tax hearings and appeals, fuel quality testing; and alcohol and tobacco law enforcement. The division also administers the unclaimed property law and is responsible for enforcing state revenue license laws.

Regulation

Alcohol and Tobacco Tax Unit

This unit administers Maryland laws pertaining to the alcoholic beverages and tobacco industries. It issues licenses to Maryland manufacturers and wholesalers of alcoholic beverages and cigarettes, as well as several types of permits.

The unit maintains price filings from wholesalers and nonresident dealers of distilled spirits and wine and maintains credit control information to promote fair trade practices in accordance with the law.

Motor Fuel Tax Unit

This unit licenses and regulates motor fuel dealers (i.e., anyone bringing petroleum products into Maryland for a first sale), and special fuel users and sellers. It registers and issues permits to all petroleum transporters and motor carriers operating in and through Maryland.

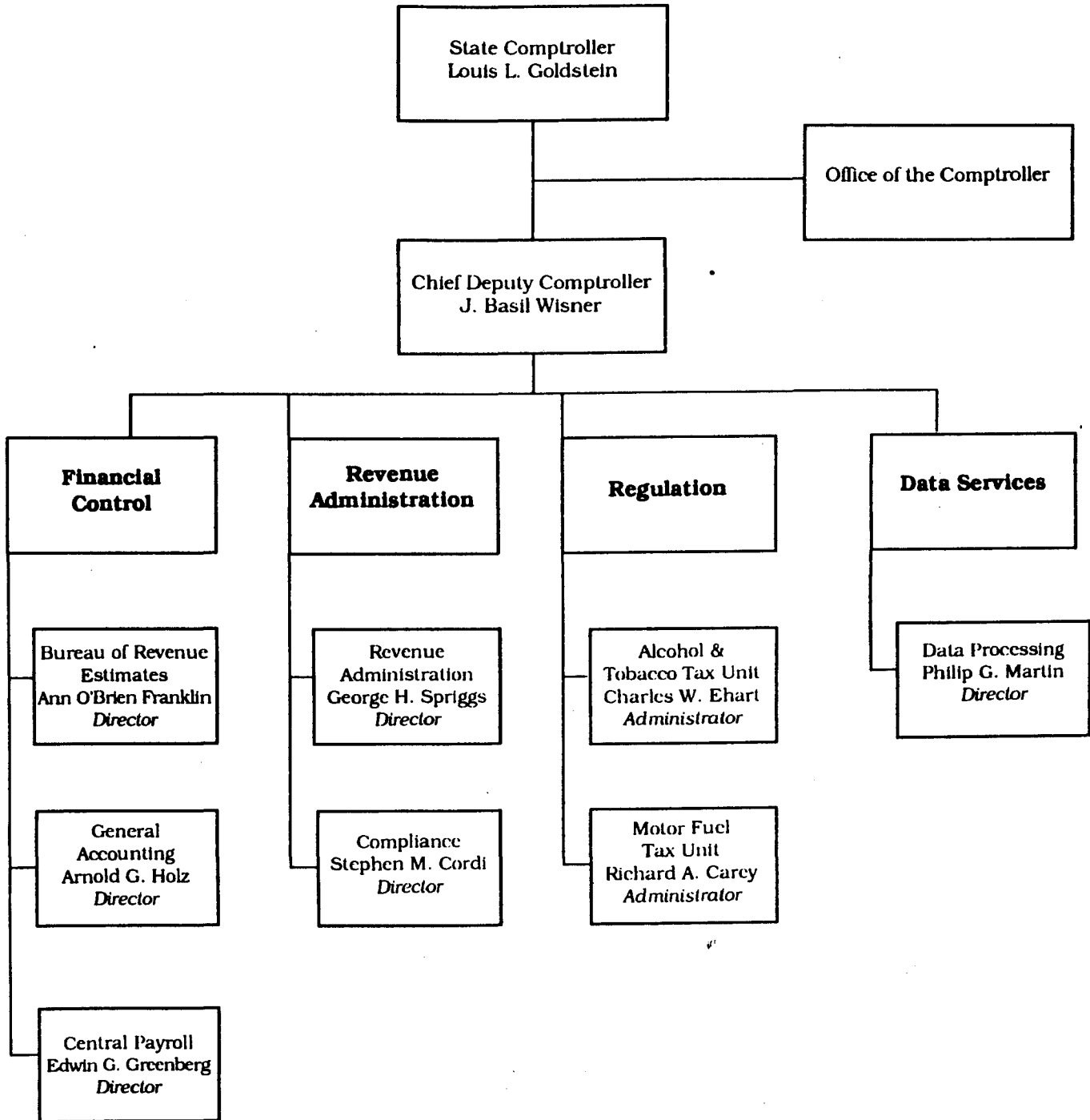
Data Services

Data Processing Division

This division functions as a service bureau, providing modern data processing/computer services to most state agencies. The division includes a large computer center in Annapolis, known as the Annapolis Data Center. The computer center is connected to more than 16,000 remote terminals throughout the state and is critical to the daily operation of most state agencies. The security and privacy of information is of the highest priority.



Comptroller of the Treasury Organizational Chart *



* as of June 30, 1993



Comptroller's Office Revenues and Distributions

Revenues Collected by Comptroller's Office By Source and Fund (Dollars in Thousands)

	FY 1993				FY 1992 Total	\$ Growth	% Change
	General	State Special	Local	Total			
Individual Income Tax	\$3,078,499	\$ -	\$1,698,149	\$4,776,648	\$ 4,353,524	\$423,124	9.7
Corporation Income Tax	128,631	76,244	-	204,875	181,910	22,965	12.6
Sales and Use Tax	1,718,152	-	-	1,718,152	1,579,785	138,367	8.8
Motor Fuel Tax	9,954	554,807	-	564,761	468,149	96,612	20.6
Alcohol Taxes	23,912	-	-	23,912	25,860	(1,948)	(7.5)
Tobacco Taxes	140,212	-	-	140,212	92,296	47,916	51.9
Estate Tax	44,002	-	-	44,002	32,067	11,935	37.2
Savings and Loan Association Franchise Tax	2,048	-	-	2,048	2,294	(246)	(10.7)
Admissions and Amusement Tax	-	1,322	30,139	31,461	31,066	395	1.3
Energy Generation Surcharge	7,489	-	-	7,489	7,608	(119)	(1.6)
Emergency Telephone System Tax	14,451	-	-	14,451	13,569	882	6.5
Unclaimed Property	12,537	1,510	-	14,047	11,912	2,135	17.9
Telecommunications Access of Maryland	5,268	-	-	5,268	10,437	(5,169)	(49.5)
Tire Recycling Fee	4,564	-	-	4,564	1,414	3,150	222.8
Total	\$5,189,719	\$ 633,883	\$1,728,288	\$7,551,890	\$ 6,811,891	\$739,999	10.9%

() denotes decrease

Maryland Total Revenue FY 1993

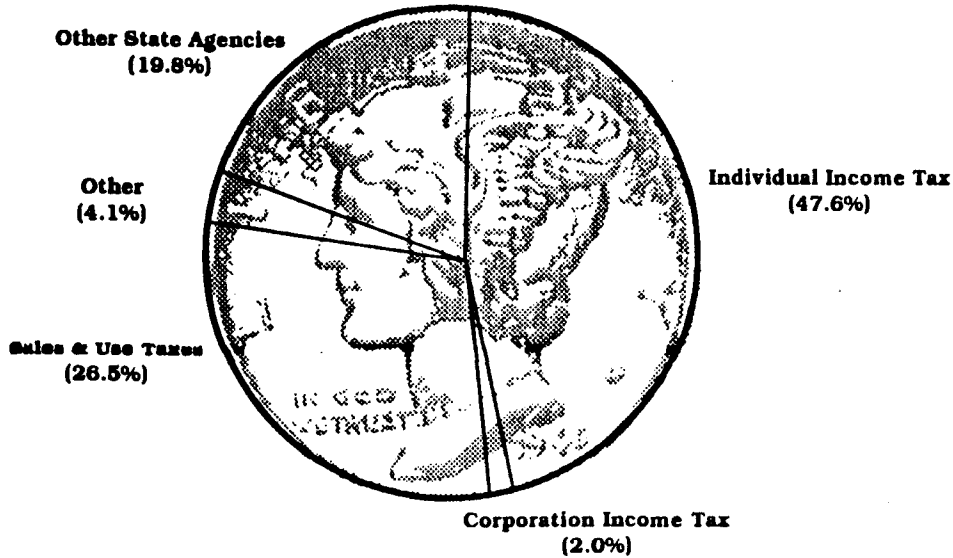
Other Sources
\$7,207,754,000
51.6%



**Comptroller's
Office Revenue**
\$5,823,602,000
48.4%

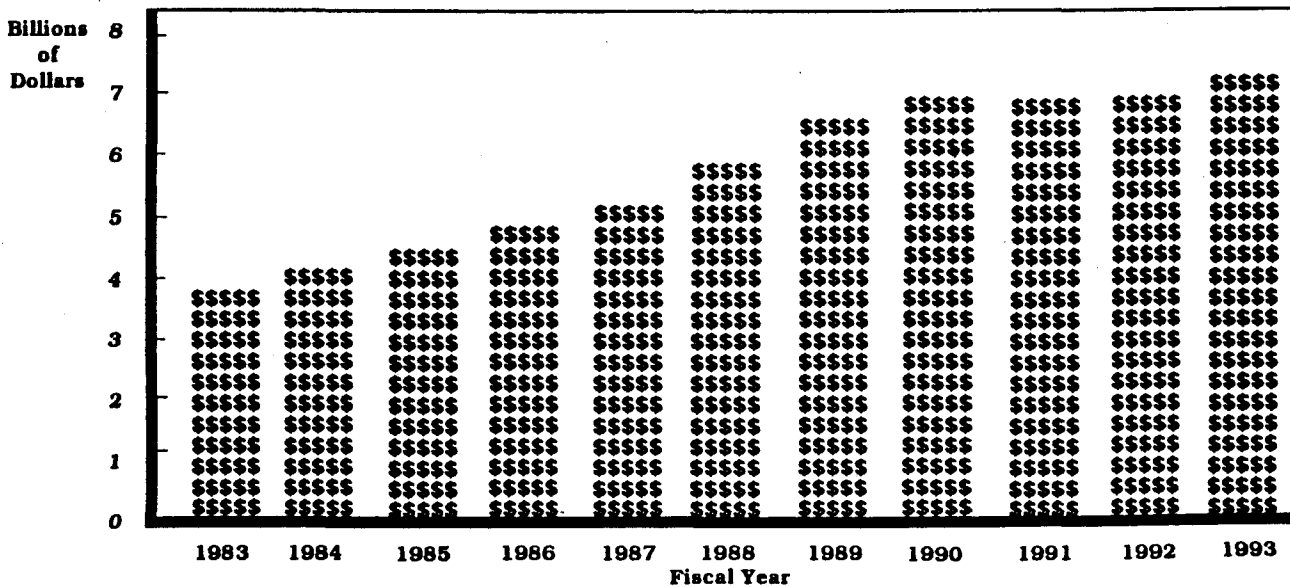
General Fund Revenue Collections

During fiscal year 1993, the Comptroller's Office collected 80 cents of every revenue dollar (exclusive of interfund transfers) deposited into the state's general fund. The following chart shows the principal sources of general fund revenues.



State and Local Revenue Collected by the Comptroller's Office

In fiscal year 1983, the Comptroller's Office collected \$3.6 billion in state and local revenues. In fiscal year 1993, these collections amounted to \$7.6 billion - a 111% increase. The following chart shows the annual growth in these collections.





Taxes Administered by the Comptroller's Office

Revenue Source	Rate (as of June 30, 1993)	Description
State Individual Income Tax	2% 1st \$1,000 3% 2nd \$1,000 4% 3rd \$1,000 and: 5% on \$3,001-\$100,000 6% over \$100,000 (Single, married filing separate & dependent taxpayers) OR 5% on \$3,001-\$150,000 6% over \$150,000 (all others)	Annual tax imposed upon individuals and fiduciaries based on Maryland taxable income (federal taxable income with Maryland modifications).
Corporation Income Tax	7%	Annual tax on the entire net income of the corporation apportioned and allocated to Maryland.
County (Local) Income Tax	A minimum of 20% and a maximum of 60% of state tax liability	A tax imposed on resident individuals, certain nonresident individuals and fiduciaries by the twenty-three counties and Baltimore City. Each county sets its own rate as a percentage of the state income tax (after deduction of earned income credits). For income subject to the 6% state rate, the maximum local rate is 50%.
Sales and Use Tax	5% tax levied on bracketed rate structure	A tax imposed on the sale or use of tangible personal property and certain enumerated services.
Admissions and Amusement Tax	Maximum 10% rate set by counties, incorporated cities and towns	A tax imposed by counties, incorporated cities and towns on certain enumerated admissions and amusement charges.
Unclaimed Property	Actual value of property	Bank accounts, stock certificates and dividends, security deposits, payroll checks, insurance proceeds, etc., are presumed abandoned if without activity for a specified period. The property is turned over to the state by the holders.
Energy Generation Surcharge	.15 mill per kilowatt hour or \$1,000 per month, whichever is less	Environmental surcharge for kilowatt hour of electric energy generated in the state; monies paid into the Environmental Trust Fund.
Emergency Telephone Systems Tax	\$.10 per month paid by each subscriber	Created to provide grants to the counties to finance installation of a 911 system on a statewide basis and to provide grants to finance enhancements to existing systems.
Savings and Loan Association Franchise Tax	0.013%	Annual tax on the total withdrawal value of deposits that a savings and loan association holds in the state on December 31.
Estate Tax	Unused federal credit	Imposed upon the transfer of a Maryland estate. Calculated as the amount by which the federal state death tax credit exceeds the total of Maryland inheritance taxes and taxes imposed by other states on property included in the Maryland estate.
Telecommunications Access of Maryland	\$.17 per month paid by each subscriber	A tax imposed upon telephone subscribers in Maryland to provide telephone service to the hearing and speech impaired citizens of Maryland.

Revenue Source	Rate	Description
Tire Recycling Fee	\$1.00 per new tire	A fee imposed on each new tire sold in Maryland. The fee applies to the first sale of a tire in Maryland which is not a sale to a wholesaler.
Alcoholic Beverages Taxes	Per Gallon: Distilled Spirits \$ 1.50 Wine \$.40 Beer \$.09	Wholesale tax on wine and distilled spirits reported monthly based on sales to retailers. Nonresident supplier, or wholesaler who self-imports beer, remits beer tax prior to entry into state.
Alcoholic Beverages Manufacturer's Licenses	Distillery \$ 1,500 Rectifying \$ 500 Winery \$ 500 Limited Winery \$ 50 Brewery \$ 1,000 Pub-Brewery \$ 500 Micro-Brewery \$ 500	Annual license fee imposed to operate a distillery, rectifying plant, brewery or winery; pub-brewery and micro-brewery licenses are issued to holders of Class "B" retail licenses under certain conditions.
Alcoholic Beverages Wholesale Licenses	Beer, Wine, Liquor \$ 1,500 Wine & Liquor \$ 1,250 Beer & Wine \$ 1,000 Beer \$ 750	Annual license fee authorizes holder to receive product from licensees and holders of nonresident dealer permits and to make sale and delivery of product to businesses and permit holders in Maryland and persons outside this state.
Alcoholic Beverages Permits	Ranges from \$2 - \$500	A variety of permits are issued authorizing the sale, shipment, transport, storage and solicitation of alcoholic beverages.
Tobacco Tax	\$.18 for each pack of 10 or fewer cigarettes and \$.36 per pack of at least 11 and not more than 20 cigarettes. \$.018 per each cigarette in packages of more than 20	Licensed Maryland cigarette wholesalers pay tax by purchasing tax stamps which they affix to all packages of cigarettes before sale at retail.
Tobacco Licenses	Wholesaler \$ 250 Sub-Wholesaler \$ 250 Vendor \$ 250	Annual license fee imposed upon various dealers and handlers of cigarettes.
Motor Fuel Tax	\$.235 per gallon \$.2425 per gallon \$.235 per gallon	Tax on all gasoline used as a motor fuel. Tax on all fuels other than gasoline used as a motor fuel. Tax on clean-burning fuels used as a motor fuel.
Aviation Fuel Tax	\$.07 per gallon	Tax on motor fuel used to power aircraft not operated for common carriage or by government entities.
Motor Carrier Tax	\$.2425 per gallon (effective 7/1/93)	Tax on motor carriers who operate commercial motor vehicles on Maryland highways. (Fuel used in Maryland regardless of type).
Motor Carrier Decal Fees	\$7 per decal	Annual identification marker required for all commercial motor vehicles operated by a motor carrier in Maryland.
Motor Carrier Trip Permit	\$42 per permit	Temporary 15-day permit fees in lieu of identification marker.



Individual Income Tax

During fiscal year 1993, the Comptroller's Office collected \$5.441 billion in state and local income tax payments and refunded \$663.6 million to individual income taxpayers. The Comptroller's Office also collects and distributes the local income tax for Maryland subdivisions.

Table 1 reflects the gross collections and net revenues for the general fund. Table 2 displays the distribution of income tax revenue to Baltimore City, Maryland's 23 counties and the incorporated towns, and special taxing districts within those counties.

Table 1
Individual Income Tax
Fiscal Year 1993

	Gross Revenues	Refunds (a)	Less		Net amount to the General Fund
			Reserve for Subdivisions	Chesapeake Bay and Endangered Species Fund	
Individual income tax	\$5,172,014,465	\$659,556,907	\$1,690,594,334	\$994,638	\$2,820,868,586
Individual estimated tax payments not claimed on returns	10,280,543	348,586			9,931,957
Employer withholding tax payments not claimed on returns	238,553,679	2,437,850			236,115,829
Fiduciary income tax	16,960,851	1,176,987	7,554,538		8,229,326
Fiduciary estimated tax payments not claimed on returns	5,431,715				5,431,715
Unidentified tax payments	(2,037,784)	40,842			(2,078,626)
Total	\$5,441,203,469	\$663,561,172	\$1,698,148,872	\$994,638	\$3,078,498,787

(a) Refunds totaling \$65,221,789 that were applied to individual 1992 and 1993 estimated tax accounts are not considered revenues and are not reflected in the above totals.

Table 2
Distribution of Local Income Tax Receipts
Fiscal Year 1993
(Dollars in Thousands)

County	Distributions to Cities & Towns	Distributions to Counties	Total Distributions
Allegany	\$ 1,616	\$ 13,271	\$ 14,887
Anne Arundel	1,495	131,388	132,883
Baltimore	-	266,844	266,844
Calvert	168	17,493	17,661
Caroline	217	4,654	4,871
Carroll	1,133	35,798	36,931
Cecil	594	16,562	17,156
Charles	397	24,779	25,176
Dorchester	328	5,081	5,409
Frederick	2,303	44,381	46,684
Garrett	180	4,067	4,247
Harford	1,170	55,610	56,780
Howard	-	79,582	79,582
Kent	205	3,668	3,873
Montgomery	9,252	370,777	380,030
Prince George's	11,570	203,187	214,758
Queen Anne's	112	9,201	9,312
St. Mary's	55	17,153	17,208
Somerset	76	2,594	2,669
Talbot	605	11,985	12,590
Washington	1,412	24,452	25,864
Wicomico	822	16,149	16,970
Worcester	723	3,229	3,953
Baltimore City	-	109,594	109,594
Total	\$ 34,432	\$ 1,471,498	\$ 1,505,930



Corporation Income Tax

During fiscal year 1993, the Comptroller's Office collected \$204.9 million in corporation income tax revenues.

The revenues from Maryland's corporation income tax are allocated between the general fund

and various transportation programs on the basis of a complex formula. The following table lists the revenues that were distributed to each of the various funds during fiscal year 1993.

Allocation of Corporation Income Tax Receipts

(Dollars in Thousands)

General Fund		\$ 128,631
Special Funds:		76,244
Maryland Port Administration	\$ 25,294	
Gasoline and Motor Vehicle Revenue Account	25,475	
Transportation Revenue Sharing Account	25,475	
Total		<u>\$ 204,875</u>

Revenues from the gasoline and motor vehicle revenue account are distributed among the Department of Transportation and local governments on the basis of the following formula:

- ◆ 70% to the Department of Transportation
- ◆ 15% to Baltimore City
- ◆ 15% to the remaining cities, counties and towns

Revenues from the transportation revenue sharing account are distributed on the basis of the following formula:

- ◆ 76% to the Department of Transportation
- ◆ 10% to Baltimore City
- ◆ 14% to the remaining cities, counties and towns



Sales and Use Tax

During fiscal year 1993, the Comptroller's Office collected \$1.71 billion in net sales and use tax receipts. Tax collections totalled \$1.72 billion, and refunds totalled \$7.1 million.

The taxable food and beverage group produced the largest amount of revenue (\$379.9 million), followed by the general merchandise group (\$318.1 million). The miscellaneous group produced the third largest amount (\$219.6 million).

Among the geographic regions, Baltimore County generated the most revenue (\$285.4 million), followed by Montgomery County (\$262.8 million), Prince George's County (\$226.4 million), Baltimore City (\$179.9 million) and Anne Arundel County (\$150.7 million).

Table 3 represents a two year comparison of sales and use tax revenue by county. Table 4 presents sales and use tax collections by county and principal type of business for fiscal year 1993.

Table 3
Sales and Use Tax Receipts by County
(Dollars in Thousands)

	F.Y. 1993	F.Y. 1992	% Change	% of FY '93 Total
Allegany	\$ 21,275	\$ 20,383	4.38	1.24
Anne Arundel	150,264	141,602	6.12	8.75
Baltimore	284,558	251,663	13.07	16.56
Calvert	10,763	8,744	23.09	0.63
Caroline	3,371	3,412	(1.20)	0.20
Carroll	29,367	26,434	11.10	1.71
Cecil	16,141	14,741	9.50	0.94
Charles	38,110	32,857	15.99	2.22
Dorchester	4,635	4,565	1.53	0.27
Frederick	49,937	45,156	10.59	2.91
Garrett	6,903	6,483	6.48	0.40
Harford	42,924	38,854	10.48	2.50
Howard	64,281	59,011	8.93	3.74
Kent	4,936	4,795	2.94	0.29
Montgomery	262,104	245,247	6.87	15.25
Prince George's	225,695	214,447	5.25	13.14
Queen Anne's	8,122	7,614	6.67	0.47
St. Mary's	15,856	14,867	6.65	0.92
Somerset	2,094	1,911	9.58	0.12
Talbot	12,982	11,170	16.22	0.76
Washington	39,709	34,043	16.64	2.31
Wicomico	28,239	27,201	3.82	1.64
Worcester	28,194	28,110	0.30	1.64
Baltimore City	178,777	172,889	3.41	10.41
District of Columbia	10,937	8,876	23.22	0.64
Other/Out-of-State Vendors	177,978	154,709	15.04	10.36
Total	\$ 1,718,152	\$ 1,579,784	8.76	100.00

() denotes decrease

Table 4
Sales and Use Tax Receipts by County and Principal Type of Business
(Dollars in Thousands)

County	Food & Beverage	Apparel	General Merchandise	Automotive	Furniture & Appliances	Building & Industrial Supplies
Allegany	\$ 5,875	\$ 1,602	\$ 4,870	\$ 1,742	\$ 1,835	\$ 1,986
Anne Arundel	38,358	7,796	32,922	12,785	17,197	14,180
Baltimore	59,209	23,022	61,029	19,954	35,606	29,311
Calvert	3,287	120	3,679	650	446	996
Caroline	1,170	22	523	396	200	240
Carroll	8,217	871	7,033	2,361	1,663	3,823
Cecil	6,367	1,081	2,953	1,399	496	1,530
Charles	7,983	2,405	11,893	2,451	2,569	6,313
Dorchester	1,648	147	564	406	281	463
Frederick	11,993	1,751	9,539	3,285	3,701	12,212
Garrett	1,706	88	992	787	280	1,130
Harford	12,236	1,290	9,090	3,200	2,830	5,035
Howard	15,697	2,588	9,367	3,993	9,453	7,953
Kent	1,670	117	832	393	196	695
Montgomery	59,922	24,532	49,768	16,472	39,649	17,523
Prince George's	51,696	15,675	47,465	20,100	21,283	25,841
Queen Anne's	2,709	1,459	603	525	720	803
St. Mary's	4,799	417	3,491	1,259	965	2,251
Somerset	951	2	276	122	150	75
Talbot	3,803	403	3,271	937	660	1,642
Washington	9,028	1,112	11,954	2,825	2,563	4,933
Wicomico	6,400	1,785	7,846	1,736	1,783	3,314
Worcester	12,377	1,087	3,034	892	876	1,065
Baltimore City	50,073	10,193	17,816	10,898	14,976	23,277
District of Columbia	252	7	177	285	1,107	3,735
Other-Out-of-State Vendors	2,480	2,952	17,177	8,536	45,763	25,577
Total	\$ 379,906	\$ 102,524	\$ 318,164	\$ 118,389	\$ 207,248	\$ 195,903

Table 4**Sales and Use Tax Receipts by County and Principal Type of Business**
(Continued)

Utilities & Transportation	Hardware, Machinery & Equipment	Miscellaneous	Assessment Collections	Refunds	Total to General Fund
\$ 788	\$ 300	\$ 2,080	\$ 280	\$ 85	\$ 21,273
5,644	4,197	16,903	780	497	150,265
19,380	6,503	28,969	2,462	887	284,558
307	393	887	33	36	10,762
316	123	409	1	29	3,371
1,313	1,580	2,375	193	63	29,366
152	520	1,514	171	41	16,142
850	823	2,748	137	62	38,110
292	373	473	29	42	4,634
1,662	1,336	4,496	244	282	49,937
196	247	1,382	120	25	6,903
2,446	1,603	4,253	1,056	115	42,924
3,930	2,359	8,835	425	317	64,283
195	242	542	65	11	4,936
15,370	5,959	31,457	2,165	712	262,105
16,110	5,716	20,416	2,178	786	225,694
372	245	693	12	20	8,121
463	443	1,627	171	29	15,857
241	52	229	0	3	2,095
351	497	1,469	109	160	12,982
1,722	1,097	4,093	621	238	39,710
1,149	1,449	2,811	92	127	28,238
1,156	523	7,241	92	148	28,195
17,134	7,086	26,666	1,784	1,127	178,776
262	427	4,676	39	27	10,940
19,014	10,495	42,384	4,807	1,210	177,975
<u>\$ 110,815</u>	<u>\$ 54,588</u>	<u>\$ 219,628</u>	<u>\$ 18,066</u>	<u>\$ 7,079</u>	<u>\$1,718,152</u>



Admissions and Amusement Tax

The Comptroller's Office is also responsible for administering, collecting and distributing the admissions and amusement tax revenues to the counties and incorporated cities and towns in Maryland. The table below lists the net receipts and amounts distributed to counties (including municipalities within the counties) for fiscal year 1993.

Table 5
Admissions and Amusement Tax Receipts and Distributions
(Dollars in Thousands)

County	Net Receipts	Administrative Expense	Total Distributed
Allegany	\$ 269	\$ 11	\$ 258
Anne Arundel	3,520	140	3,380
Baltimore	5,223	218	5,005
Calvert	29	1	28
Caroline	3	*	3
Carroll	505	20	485
Cecil	146	5	141
Charles	605	26	579
Dorchester	35	2	33
Frederick	628	25	603
Garrett	248	11	237
Harford	337	14	323
Howard	1,247	50	1,197
Kent	55	2	53
Montgomery	2,815	113	2,702
Prince George's	6,076	257	5,819
Queen Anne's	166	6	160
St. Mary's	75	3	72
Somerset	14	1	13
Talbot	84	3	81
Washington	356	14	342
Wicomico	240	10	230
Worcester	870	26	844
Baltimore City	4,575	198	4,377
Md. Stadium Authority	3,340	166	3,174
Total	<u>\$ 31,461</u>	<u>\$ 1,322</u>	<u>\$ 30,139</u>

* Denotes less than \$500



Unclaimed Property Receipts

The Comptroller's Office is also responsible for administering the Uniform Disposition of Unclaimed Property Act. It is responsible for the care, custody and control of all tangible property presumed abandoned or unclaimed. The value of the property may be claimed by its rightful owner at any time subsequent to this distribution.

The table below presents an analysis of collections and distributions of unclaimed property receipts during fiscal year 1993.

Table 6

Unclaimed Property Receipts and Distributions

(Dollars in Thousands)

Sources of Net Revenues from Miscellaneous Unclaimed Property:

Life Insurance	\$ 764
Other Insurance	2,133
Public Utilities	137
Corporations	4,600
Fiduciaries, Trustees and Other	1,488
Government Agencies	484
Banks and Financial Organizations	4,441
Total Net Revenues	<u>\$ 14,047</u>

Allocation of Net Revenues:

Administrative Expenses	\$ 1,010
Distributed to Maryland Legal Services Corporation	500
Transferred to General Fund	12,537
Total Net Revenues	<u>\$ 14,047</u>

Energy Generation Surcharge

The Comptroller's Office also collects and distributes to the Environmental Trust Fund revenue collected from the energy generation surcharge. During fiscal year 1993, \$7.5 million was collected from this revenue source.

Emergency Telephone System Tax

The Comptroller's Office collects the emergency telephone system tax. This revenue is used to fund local emergency 911 telephone systems. During fiscal year 1993, \$14.5 million was collected from this revenue source.

Telecommunications Access of Maryland

The Comptroller's Office collects the telecommunication access of Maryland tax. This revenue is used to provide telephone service to the hearing and speech impaired citizens of Maryland. During fiscal year 1993, \$5.3 million was collected from this revenue source.

Tire Recycling Fee

The Comptroller's Office is responsible for collecting the tire recycling fee, which went into effect February 1, 1992. The proceeds go to a special fund administered by the Department of Environment for scrap tire removal and recycling. During fiscal year 1993, \$4.6 million was collected from this revenue source.

Estate Tax

The Comptroller's Office collects the estate tax from the executors and administrators of Maryland-situs estates. During fiscal year 1993, \$44.0 million was collected from this source and deposited into the general fund.

Savings and Loan Association Franchise Tax

The Comptroller's Office also collects the franchise tax on shares of savings and loan associations. This annual tax is levied at the rate of 0.013% of the total withdrawal value of the deposits that a savings and loan association holds in Maryland. During fiscal year 1993, \$2.0 million was collected from this tax for deposit into the general fund.



Alcohol and Tobacco Taxes

During fiscal year 1993, the Comptroller's Office collected \$164.1 million in revenues for the state General Fund.

Table 7 presents a two year comparison of alcohol and tobacco tax revenue.

Table 7
Comparison of Alcohol and Tobacco Tax Revenue
(Dollars in Thousands)

	FY 1993	FY 1992	% Change
Distilled Spirits Tax	\$ 11,729	\$ 12,939	(9.35)
Wine Tax	3,498	3,511	(0.37)
Beer Tax	8,241	9,073	(9.17)
Tobacco Tax	139,692	92,020	51.81
Other Receipts	964	613	57.26
Total Net Receipts	\$ 164,124	\$ 118,156	38.90

() denotes decrease



Motor Fuel Taxes

During fiscal year 1993, the Comptroller's Office collected \$564.8 million in motor fuel tax revenues. Table 8 presents a two year comparison of motor fuel tax receipts.

Table 8
Motor Fuel Tax Receipts
(Dollars in Thousands)

	FY 1993	FY 1992	% Change
Dealer Receipts	\$ 498,334	\$ 405,994	22.74
Special Fuels Receipts	62,874	55,126	14.06
Motor Carrier Collections	17,620	16,289	8.17
Miscellaneous Revenues	1,750	2,519	(30.53)
Refunds	<u>15,817</u>	<u>(11,779)</u>	34.28
Net Revenues	\$ 564,761	\$ 468,149	20.64

() denotes decrease

Net motor fuel tax revenues are distributed among the general fund and selected special funds on the basis of a statutory formula. The following table presents the revenues that were distributed to each of the various funds during fiscal year 1993.

Table 9
Distribution of Motor Fuel Tax Revenue
(Dollars in Thousands)

Administrative Expenses		\$ 6,482
Waterways Improvement Fund		1,298
Fisheries Research and Development Fund		1,298
General Fund for Chesapeake Bay Related Programs		9,954
Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund		544,929
Baltimore City (15%)	\$ 80,363	
Counties and Municipalities (15%)	80,363	
Department of Transportation (70%)	375,030	
Department of Transportation	9,173	
Transportation Trust Fund		<u>800</u>
Total		\$ 564,761



New Tax Legislation

Income Tax

SB 78 (Chapter 80) - Allows the comptroller to recover from a delinquent taxpayer the collection costs charged by a private collection agency. The amount that can be recovered is limited to the fee charged by the Central Collection Unit. Effective date: For all payments received by a collection agency on or after July 1, 1993.

SB 473 (Chapter 243) - Requires that the Board of Trustees of the Maryland State Retirement and Pension System withhold state and local income taxes from death benefit payments made to beneficiaries after any allowable federal death benefit exclusion and after amounts excludable in a nontaxable rollover. Effective date: July 1, 1993.

SB 547 (Chapter 255) - Certain high-income taxpayers who must limit their itemized deductions may subtract only a pro-rata portion of state and local taxes deducted when calculating allowable deductions. Effective date: For all tax years after December 31, 1992.

SB 636 (Chapter 256) - Expands the subtraction modification for two-earner married couples to include all types of income. This restores totally the combined separate benefit to married couples who both have income. Effective date: For tax years beginning after December 31, 1992.

SB 733 (Chapter 262) - Eliminates from the definition of a resident, a fiduciary of a trust if the creator or grantor was a resident of Maryland on the date the trust was created, and provides for the addition of capital losses and the subtraction of capital gains from intangible personal property held in trust under certain circumstances. Effective date: For tax years beginning after December 31, 1992.

HB 221 (Chapter 139) - Requires the reporting of sales of real property by nonresident individuals. Effective date: July 1, 1993.

HB 1206 (Chapter 365) - Limits to 5%, the rate on that portion of an individual's income from lump-sum distributions when required to be included as an addition to income. Effective date: July 1, 1993 (for tax year 1992 only).

Sales Tax

SB 660 (Chapter 262) - Expands the sales and use tax exemption for tangible personal property used in research and development to include material not consumed in research and development and equipment purchased for public sector research and development. Effective date: July 1, 1993.

HB 1193 (Chapter 1193) - Exempts from the sales and use tax machinery, equipment, and consumable items used for testing finished products. Effective date: July 1, 1993.

HB 1257 (Chapter 403) - Exempts a computer program from the sales and use tax if the program is intended to be reproduced for sale or incorporated into another computer program intended for sale. Effective July 1, 1993.

Motor Fuel Tax

SB 775 (Chapter 270) - Alters the fuel tax rate for "alternative fuels" from 24.25 cents per gallon to 23.5 cents per gallon. Effective date: July 1, 1993.

HB 220 (Chapter 33) - Extends personal liability for payment of motor fuel tax to any officer of a corporation exercising direct control over fiscal management. Effective July 1, 1993.

HB 353 (Chapter 512) - Exempts service station signs required by state and federal law from local regulation. Effective October 1, 1993.

HB 1594 (Chapter 642) - Requires the Secretary of the Department of Agriculture to coordinate with the Comptroller and Secretary of the Department of the Environment to develop coordinated programs for inspecting gasoline stations. Effective July 1, 1993.

Table 10
Gross Motor Fuel Gallonage & Revenue Statement
For Fiscal Year Ending June 30, 1993

	Actual Gallons	Revenue
Gross Gallons Reported	2,469,040,698	
Less Adjustments:		
Temperature & stock adjustments	14,021,907	
Federal exempt purchases	3,411,390	
Cost of collection allowance	<u>24,180,620</u>	
Less total adjustments	<u>- 41,613,917</u>	
Total taxable motor fuel gallons:	<u><u>2,427,426,781</u></u>	
	Actual Gallons	Revenue
Total motor vehicle fuel dealers	2,120,068,268	\$498,333,546.22**
Total special fuel	307,358,513	62,873,821.94**
Total gasohol	0	0.00
Total taxable gallons sold:	<u><u>2,427,426,781</u></u>	
Floor tax revenue		151,428.07
Sellers of jet fuel and aviation		932,208.70
Motor carrier collections		
Motor carrier permits	995,400.00	
MC registration fees	4,662,454.50	
MC road tax	<u>11,963,052.65</u>	
Total motor carrier collections		17,620,907.15
Penalties and interest		663,758.04
Dishonored check fee		3,150.00
Canadian exchange		(256.93)
Gross revenue - fiscal year 1993		<u><u>\$580,578,563.19</u></u>

** Modified accrual basis of accounting



Louis L. Goldstein
Comptroller of the Treasury
State of Maryland