

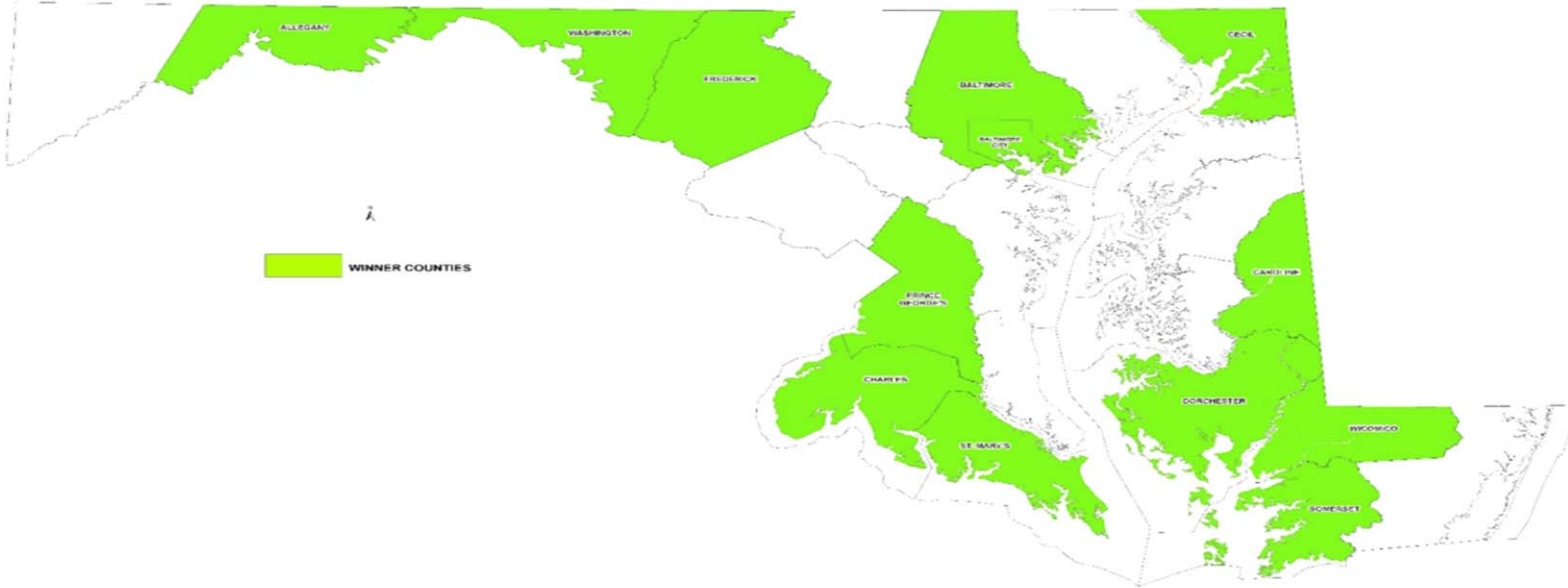
ONE STATE, ONE RATE!

A revenue-neutral proposal
to end Maryland's subsidy of
rich jurisdictions by poor jurisdictions
through the property tax system

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ONE STATE ONE RATE WINNERS



ONE STATE, ONE RATE!

The State of Maryland's Real Property Tax System allows each county and Baltimore City to set its own tax rate. Thus a Marylander living in Talbot County pays only \$1,072 in taxes on a \$200,000 home, while a Marylander living in Baltimore City pays \$4,496 on a \$200,000 home. Put another way, a resident of Talbot County pays the same taxes on an \$838,806 house as a Baltimore City resident pays on a \$200,000 house. This reverse Robin Hood scheme unreasonably transfers resources from poor folks to rich folks. It can be argued that a tax system should tax all people equally or that wealth should be transferred from rich to poor. It cannot, however, be reasonably argued that a tax system should cause the poor to subsidize the rich, and yet that is exactly what the current Maryland tax system does. Over 56% of all Marylanders are overburdened by this inequitable system, and perhaps many of the subsidized among the remaining 44% will recognize the injustice of the current system.

Our Property Tax System should be revised so that every Marylander pays the same rate: ***One State, One Rate!*** All the receipts should go to a single, state-wide fund. Initially, the tax revenue allocation could be disbursed to the counties (and Baltimore City) based on each jurisdiction's percentage of total State population. Over time, justice/good public policy may call for greater distribution to jurisdictions with greater needs. Beneficiaries of the ***One State, One Rate!*** proposal would include not only residents of Baltimore City, but also the residents of Allegany, Baltimore, Caroline, Cecil, Charles, Dorchester, Frederick, Prince George's, Saint Mary's, Somerset, Washington, and Wicomico counties.

The benefits of the ***One State, One Rate!*** proposal go beyond basic decency and fairness. The ***One State, One Rate!*** proposal is a Smart Growth proposal. Baltimore City's current, excessive tax rate is driving potential residents away from the city towards sprawling locations.

ONE STATE, ONE RATE! WINNER / LOSER TABLE

	Real Property Assessable Revenue Yields FY 2016	7/1/16 Population	Population %	Estimated Total Assessable Base FY 2016	One Rate Pay ¹	One Rate Received ²	Additional Paid ³	Additional Received ⁴	Gain (Loss) ⁵	Gain (Loss) % ⁶
Allegany	32,640,748	71,852	1.1863%	3,839,670,858	37,016,952	78,635,883	4,376,204	45,995,135	41,618,932	127.51%
Somerset	13,664,955	25,382	0.4191%	1,439,427,500	13,877,028	27,778,466	212,073	14,113,511	13,901,438	101.73%
Wicomico	53,977,268	102,667	1.6950%	6,104,613,000	58,852,483	112,360,301	4,875,215	58,383,033	53,507,817	99.13%
Baltimore City	789,041,759	622,232	10.2729%	34,785,155,022	335,351,768	680,979,858	-453,689,991	-108,061,901	345,628,090	43.80%
Washington	106,977,350	150,147	2.4789%	12,477,761,000	120,293,821	164,323,093	13,316,471	57,345,743	44,029,272	41.16%
Prince George's	699,572,400	925,040	15.2721%	78,804,106,300	759,723,403	1,012,377,381	60,151,003	312,804,981	252,653,978	36.12%
Dorchester	26,719,219	32,518	0.5369%	2,881,235,777	27,777,007	35,588,207	1,057,788	8,868,988	7,811,200	29.23%
Caroline	26,574,728	32,331	0.5338%	2,869,532,560	27,664,181	35,383,506	1,089,453	8,808,778	7,719,325	29.05%
Cecil	93,663,454	103,073	1.7017%	9,812,949,295	94,603,284	112,804,638	939,830	19,141,184	18,201,354	19.43%
Baltimore Co.	839,679,634	833,982	13.7688%	79,236,271,200	763,889,757	912,722,154	-75,789,877	73,042,520	148,832,397	17.72%
Charles	189,379,600	158,538	2.6174%	16,707,289,305	161,069,255	173,506,348	-28,310,345	-15,873,252	12,437,094	6.57%
St. Mary's	98,762,296	112,158	1.8517%	12,093,051,254	116,584,966	122,747,370	17,822,670	23,985,074	6,162,404	6.24%
Frederick	275,617,938	248,157	4.0970%	26,993,698,000	260,236,999	271,586,674	-15,380,939	-4,031,264	11,349,675	4.12%
Harford	287,943,267	251,698	4.1555%	29,616,245,872	285,520,085	275,462,013	-2,423,182	-12,481,254	-10,058,072	-3.49%
Carroll	183,957,030	168,434	2.7808%	20,752,314,081	200,065,954	184,336,628	16,108,924	379,598	-15,729,325	-8.55%
Calvert	98,000,000	91,084	1.5038%	12,295,600,000	118,537,669	99,683,665	20,537,669	1,683,665	-18,854,004	-19.24%
Anne Arundel	577,353,000	568,557	9.3867%	76,156,060,000	734,194,496	622,237,129	156,841,496	44,884,129	-111,957,367	-19.39%
Kent	29,689,971	19,769	0.3264%	2,940,271,213	28,346,148	21,635,502	-1,343,823	-8,054,469	-6,710,645	-22.60%
Howard	449,672,824	318,682	5.2613%	46,937,792,000	452,511,179	348,770,292	2,838,355	-100,902,532	-103,740,888	-23.07%
Garrett	40,384,459	29,228	0.4825%	4,432,631,207	42,733,480	31,987,571	2,349,021	-8,396,888	-10,745,908	-26.61%
Queen Anne's	63,512,887	49,210	0.8124%	7,570,431,431	72,983,937	53,856,147	9,471,050	-9,656,740	-19,127,790	-30.12%
Montgomery	1,496,734,882	1,053,344	17.3904%	175,060,000,000	1,687,693,513	1,152,795,159	190,958,631	-343,939,723	-534,898,354	-35.74%
Worcester	121,170,541	51,826	0.8556%	14,870,535,000	143,361,736	56,719,116	22,191,195	-64,451,425	-86,642,620	-71.50%
Talbot	34,240,000	37,146	0.6133%	8,924,817,563	86,041,110	40,653,108	51,801,110	6,413,108	-45,388,002	-132.56%
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	6,628,930,210	6,057,055	100.0000%	687,601,459,438	6,628,930,210	6,628,930,210	-----REVENUE NEUTRAL-----			

0.9641%

56.43% of population wins

- ¹ Assessed value of county real property x 0.9641%
- ² County population percentage x 6,628,930,210 / 100
- ³ Taxpayers' payment under ONE STATE, ONE RATE! minus current payment
- ⁴ County revenue under ONE STATE, ONE RATE! minus current revenue
- ⁵ Additional Received minus Additional Paid
- ⁶ Gain (Loss) / RP Assessable Rev Yield

Table Note:

The numbers in the Real Property Assessable Revenue Yields FY 2016, 7/1/16 Population, and Estimated FY 2016 Total Assessable Base columns (1st, 2nd and 4th columns) are from *2016 Budget & Tax Rates Survey* by the *Maryland Association of Counties*. Counties are listed in order from the most subsidized by the current system to the most burdened. The **0.9641** is the result of dividing the total Real Property Assessable Revenue Yield of \$6,628,930,210 by the Estimated Total Assessable Base of \$687,601,459,438. This is the One Rate that, if applied statewide, would yield the same total revenue now produced unfairly by the 24 different county rates.

Not all questions concerning this proposal are addressed herein, including:

- Will the proposal require only legislative action, or is it a constitutional matter?
- How do municipal property taxes and special tax districts change the numbers?
- How does any Statewide property tax affect this proposal?
- How would current formula aid programs, such as for education, libraries and health, be affected by this proposal?
- Should One State One Rate! extend to personal property tax rates? The current, high personal property tax rate on computers, medical equipment and other items is a deterrent to businesses considering locating or remaining in Baltimore City.
- Should One State One Rate! also apply to the piggyback portion of income taxes?

Discussion of the general concept of this proposal and its details are welcome.

BILL MARKER is an attorney with the Maryland Department of Assessments and Taxation. He previously served as a Public Defender dealing with Child In Need of Assistance matters. Bill serves Pigtown on the Economic Development Committee of the Local Development Council (the Casino committee) and represents Barre Circle on the Board of Directors of the Southwest Partnership, Inc. His community leadership has included serving as President of Citizens of Pigtown, Secretary of the Maryland Professional Employees Council, AFT-MD, AFL-CIO, a member of the Democratic Central Committee, and Vice President of Congregation Beit Tikvah. Bill has also chaired the Nominations Committee for the Southern District Police Community Relations Council and served on the boards of both the Washington Village/Pigtown Neighborhood Planning Council and the Friends of the Enoch Pratt Free Library.

This proposal is written by Bill as a citizen, not as a State Employee.

To comment on this proposal contact Bill at wmmarker@gmail.com or call 443 827-6669.