

News Release

Board of Revenue Estimates Shifts Projections Upward by \$1.6 Billion

In two-year span, state expects \$7.5 billion in excess revenue; Comptroller Franchot calls for three-month gas tax holiday and \$2,000 stimulus checks for low-income earners

ANNAPOLIS, Md. (March 10, 2022) — The Maryland Board of Revenue Estimates voted today to [increase the revenue projections for the current and upcoming fiscal years by a combined \\$1.6 billion](#), which signals continued economic growth that provides policymakers with an unprecedented opportunity to help Marylanders with rising expenses.

The Board, which includes Comptroller Peter Franchot, Treasurer Dereck Davis and State Budget Secretary David Brinkley, increased the revenue projection for Fiscal Year 2022 to \$22.5 billion, representing an \$867 million increase from the December estimates. The panel adjusted the official revenue forecast for Fiscal Year 2023, which begins this July, upwards by an additional \$737 million to \$23.6 billion.

The increase is [largely attributable to individual and corporate income tax collections from tax year 2021, as well as higher sales tax receipts](#).

Today's revision follows the Board's actions last [September](#) and [December](#) when revenue projections for Fiscal Years 2022 and 2023 climbed sharply. Combined with a [\\$2.5 billion general fund balance from Fiscal Year 2021](#), the state has approximately \$7.5 billion in excess revenue in a two-year span.

As a result, Comptroller Franchot today called on the General Assembly and Gov. Larry Hogan to enact a three-month state gas tax holiday to relieve pressure at the pump as prices continue to climb. The Comptroller also renewed his call for the legislature to pass [\\$2,000 emergency stimulus checks for low-wage earners](#) and

Earned Income Tax Credit recipients, as well as dedicate [\\$500 million in aid for small businesses](#) and \$500 million for the state's childcare providers.

The following is Comptroller Franchot's remarks, as prepared for delivery:

"Cumulatively, we are increasing our revenue projections from December by \$1.6 billion for the current and upcoming fiscal years.

"Those numbers include the long-term effects of federal stimulus money in Maryland's economy, which has created growth in both our individual and corporate tax revenue.

"These are tremendous numbers and demonstrate how aid from the federal level continues to have long-lasting ripple effects and continues to help this state's overall economy.

"The fact that Maryland shows growth despite many unforeseen factors in the past two years is a testament to the sound, long-term decisions made by this board and other state officials ...

"That have built this state's economy to withstand many unforeseen circumstances.

"However, while there is good news in today's report, we cannot take Maryland's overall good financial health for granted and assume things are back to normal.

"As Mr. Farkas noted in his report, today's numbers have been adjusted to include several factors that have occurred in the last few months.

"Federal stimulus funding the past two years provided this state with cash infusion to help many Marylanders and has shown to have long-term positive effects on our economy.

"Decreasing COVID-19 case numbers in Maryland, in conjunction with the wider availability of vaccines and testing, give us hope we're coming close to the end of the pandemic and resuming our normal lives.

"Maryland's continued wage growth is also positive, as businesses are increasing their pay to recruit and hire more people back into the workforce.

"In addition, the promise of more federal funding to improve Maryland's infrastructure means more jobs, especially in our skilled labor sector.

"But even though today's report is good news for the state's bottom line and underscores the strong bones of our state's economy and our ability to weather tough times ...

"Many Maryland families continue to face some of the toughest financial times due to the economic instability created by the pandemic.

"There is still a large group of Marylanders who are not feeling or getting their fair share of the economic prosperity that the vast majority of Marylanders are experiencing.

"The economic fault lines that existed before COVID-19 forced our economy to shut down remain large, and for so many of our friends and neighbors who are in low-wage jobs...

"They continue to suffer from the devastation of this pandemic without much hope of turning things around.

"That's why today, I'm renewing my call for the General Assembly to pass a second round of economic stimulus to benefit low-wage earners, small businesses, and childcare providers who continue to struggle.

"I'm talking about \$2,000 emergency survival checks for our low-wage earners and EITC recipients... especially as global supply chain issues and inflation have significantly impacted their cost-of-living expenses and basic necessities like food, rent, and transportation.

"I'm talking about \$500 million in aid for our small businesses, particularly our minority-owned businesses and women-owned businesses that were the hardest hit by the economic consequences of this pandemic.

"And I'm talking about \$500 million to help our childcare providers... at a time when hundreds of them were forced to shutter their doors for good, and at a time when the cost to affordable, reliable childcare continues to be out of reach for thousands of Maryland families across our state.

"I'm proud that President Biden – with significant bipartisan support in Congress – announced a ban on Russian oil imports so that we can stop sending millions of dollars to the Kremlin that fund their unjust, unprovoked, illegal, and immoral war on Ukraine.

"This conflict that Vladimir Putin has initiated has caused gas prices to skyrocket at a time when Maryland families are already struggling to balance their household budgets to afford their groceries... pay for their rent... health care... and other basic necessities.

"And our residents shouldn't shoulder the brunt of Putin's criminal actions and the efforts of the Free World to stop the bloodshed and destruction that he is causing in Ukraine.

"Before Russia's invasion of Ukraine, the average per gallon price in Maryland for regular gas was \$3.23. Yesterday, it was \$4.03. And it's only going to keep going up.

"Luckily for the State of Maryland, we are in an unprecedented financial position to help our residents and small businesses weather through these challenging and uncertain economic times.

"That's why in addition to renewing my call for a second round of stimulus, as the state's chief fiscal officer and motor fuel regulator, I am calling on the Governor and the General Assembly to work together and enact a three-month gas tax holiday...

"And I echo the calls for a moratorium on the federal gas tax that have come from a bipartisan group of governors, state lawmakers, and members of Congress.

"To be sure, such a holiday would result in a fiscal impact to the State...

"But with today's increased revenue projections – we are now talking about \$7.5 billion in excess revenue in a two-year span – we are in an even stronger financial position to help Marylanders and our small businesses.

"And if passed, this gas tax holiday provides immediate financial relief for all Marylanders, as well as our small businesses who are also suffering from skyrocketing gas prices and must pass those increased costs onto our consumers.

"The Maryland Gas Tax is by far, the most regressive tax we collect from our citizens. Together with stimulus checks for our lowest wage earners, the state can take immediate action to do the most good with this budget surplus.

"This isn't the politicians' money. This is the people's money. And those of us entrusted in public office should invest this surplus to offer some much-needed relief for fellow Marylanders whose budgets aren't experiencing revenue surpluses of historic proportions."

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