



Peter Franchot
Comptroller

David Roose
Director
Bureau of Revenue Estimates

March 2, 2010

Honorable Martin O'Malley
Governor of Maryland
State House
Annapolis, Maryland 21404

Honorable Thomas V. "Mike" Miller, Jr.
President of the Senate
State House
Annapolis, Maryland 21404

Honorable Michael E. Busch
Speaker of the House
State House
Annapolis, Maryland 21404

Dear Governor, President and Speaker:

This report is the second in a series of five annual reports required by Chapter 3 of the 2007 Special Session of the General Assembly, as modified by Chapter 177 of the 2008 Session, on Maryland's corporate income tax and the revenue effects of possible corporate income tax changes. Included in this report are revised estimates of the impact of combined reporting for tax year 2006 and initial estimates for tax year 2007, as well as estimates for two other possible corporate income tax changes.

The estimates for the revenue changes from combined reporting are subject to the same caveats contained in the October 1, 2009 report from the Comptroller:

- these are estimates of the revenue impact for tax years 2006 and 2007 only, not for future years;
- certain assumptions were made regarding the structure and details of the combined reporting—different assumptions could lead to different results;
- it is assumed that the introduction of combined reporting will not affect taxpayer behavior.

In addition, it was apparent that many respondents had misinterpreted the data entry format and provided essentially correct data in an incorrect but logical manner, while others simply made errors. Reports were adjusted for these factors, and for simple typographical errors; in some instances, the respondents were contacted to ensure the accuracy of their reports.

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Continuing analysis of tax year 2006 corporate information reports indicates that under the Joyce method of apportionment, combined reporting would have generated approximately \$144 million in additional revenue for that tax year, rather than the initially reported figure of \$109 million in additional revenue, while under the Finnigan method of apportionment \$197 million in additional revenue would have been received, rather than the initially reported figure of \$170 million. This revision arises primarily from three factors—amended corporate reports, additional corporate reports, and the correction of data problems discovered after further detailed analysis. For tax year 2007, revenues would have increased approximately \$92 million under Joyce, and \$144 million under Finnigan, increases of roughly 13% and 20% over actual tax year 2007 liability.

Tax year 2006 data now show that, under Joyce, the tax liability of manufacturing, retail and finance corporations alone would have been \$145 million higher, more than the \$144 million overall increase. For those whose taxes would have been higher under Joyce, corporations in those three industries and the information and accommodation and food services industries would have paid more than \$100,000 in additional taxes on average. For those whose taxes would have been lower, corporations in the utility, information, management of companies, and health care and social assistance industries would have saved over \$100,000 on average. The same general pattern holds under Finnigan.

For tax year 2007, manufacturing, retail and finance corporations again would have faced a larger increase in tax liability than the aggregate increase under Joyce, with an additional \$14 million from information corporations. Those four industries also provide more than the entire amount of the increase under Finnigan. In both instances, taxes for utilities would have been lower. The attached tables provide detail by both size of corporate group and by industry, for tax years 2006 and 2007.

The corporate information reporting also allows the estimation of two other potential changes to the corporate income tax—adoption of the throwback rule and 100% allocation of nonoperational income to Maryland. Corporate income is typically apportioned to the states in which a corporation does business, as measured by some combination of receipts, property and payroll. However, income can be earned in states in which a corporation does not have nexus (generally a state in which sales are made but in which the corporation has no payroll or property), and which is therefore not taxed by that state. The throwback rule brings this "nowhere income" back to the state in which the goods were produced or from which they were shipped.

The tax year 2007 corporate reporting data indicates that 324 entities would have had \$7.8 billion of income from sales made into states in which they do not have nexus thrown back to Maryland. After apportioning that income and accounting for losses, corporate income tax revenues would have been \$31.3 million higher, with 181 entities paying higher tax. If sales to the federal government were also thrown back to Maryland, an additional \$2.8 billion would have been thrown back, and corporate income tax revenues would have increased a further \$17.4 million. The actual revenue increase had the throwback rule been in effect would have been greater, barring behavioral changes, as single-entity corporations and non-corporate entities were exempt from these reporting requirements.

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Generally, income from the regular course of business is apportionable. Certain non-business income, however, is only taxable by the state in which the income-producing assets are managed, usually the state of domicile. This income cannot be taxed by other states. Maryland law, however, apportions away much of this type of non-business income which no other state has the authority to tax. If 100% of nonoperational income were allocated to Maryland, corporate income tax revenues would have increased at least \$6.4 million. Again, this increase is probably understated due to the fact that single-entity corporations and non-corporate entities did not fall under these reporting requirements. As nonoperational income results from extraordinary transactions, by definition, it can be expected to be volatile. The estimate for 100% allocation of nonoperational income for tax year 2006 was \$21.5 million, demonstrating the volatility.

Next March's report will revise the above estimates for combined reporting, if necessary, along with the initial analysis of tax year 2008 results. To date, there have only been several hundred amended information reports; it is likely that many more will be received for tax years 2006 and 2007 due to net operating loss carrybacks arising from the recession. The Comptroller's Office will remind all respondents of the requirement to amend their information report if the Maryland corporate income tax return of any member of the group is amended. The Comptroller's Office will also continue its analysis of these reports in conjunction with the work of the Maryland Business Tax Reform Commission.

If you have any questions or concerns, please do not hesitate to contact me at 410-260-7450.

Sincerely,



David. F. Roose
Director, Bureau of Revenue Estimates

cc. Comptroller Peter Franchot
Len Foxwell
Linda Tanton

Tax Year 2007 Estimated Impact of Combined Reporting
Joyce Method of Apportionment
By Group Maryland Modified Income

Group Maryland Modified Income	Winners			Losers			No Change	Total	
	#	\$	Average	#	\$	Average	#	#	\$
Non-Taxable	745	(79,079,916)	(106,148)	0	0	0	1,658	2,403	(79,079,916)
Under \$500,000	212	(695,780)	(3,282)	294	311,416	1,059	160	666	(384,364)
\$500,000 to \$999,999	67	(978,362)	(14,602)	83	307,812	3,709	30	180	(670,550)
\$1,000,000 to \$4,999,999	226	(2,320,577)	(10,268)	293	2,044,725	6,979	93	612	(275,852)
\$5,000,000 to \$9,999,999	137	(3,096,060)	(22,599)	172	3,660,001	21,279	32	341	563,941
\$10,000,000 to \$24,999,999	178	(7,906,367)	(44,418)	230	5,709,476	24,824	39	447	(2,196,891)
\$25,000,000 to \$99,999,999	245	(21,633,411)	(88,300)	372	24,298,969	65,320	35	652	2,665,558
\$100,000,000 to \$249,999,999	105	(24,471,802)	(233,065)	211	27,929,182	132,366	14	330	3,457,380
\$250,000,000 to \$499,999,999	37	(6,761,284)	(182,737)	105	24,820,756	236,388	6	148	18,059,472
\$500,000,000 to \$999,999,999	28	(8,033,354)	(286,906)	80	38,951,199	486,890	} 4	} 272	30,917,845
\$1,000,000,000 and Over	41	(27,057,557)	(659,940)	119	146,294,107	1,229,362			119,236,550
Total	2,021	(182,034,470)	(90,071)	1,959	274,327,643	140,035	2,071	6,051	92,293,173

*Brackets indicate consolidation for disclosure purposes.

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Comptroller of Maryland
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Tax Year 2007 Estimated Impact of Combined Reporting
Finnigan Method of Apportionment
By Group Maryland Modified Income

Group Maryland Modified Income	Winners			Losers			No Change	Total	
	#	\$	Average	#	\$	Average	#	#	\$
Non-Taxable	745	(79,079,916)	(106,148)	0	0	0	1,658	2,403	(79,079,916)
Under \$500,000	201	(690,244)	(3,434)	306	330,096	1,079	159	666	(360,148)
\$500,000 to \$999,999	64	(977,965)	(15,281)	90	314,527	3,495	26	180	(663,438)
\$1,000,000 to \$4,999,999	212	(2,250,536)	(10,616)	317	2,121,289	6,692	83	612	(129,247)
\$5,000,000 to \$9,999,999	130	(3,043,259)	(23,410)	186	3,924,507	21,100	25	341	881,248
\$10,000,000 to \$24,999,999	160	(7,772,392)	(48,577)	259	6,962,003	26,880	28	447	(810,389)
\$25,000,000 to \$99,999,999	213	(20,979,998)	(98,498)	410	28,240,024	68,878	29	652	7,260,026
\$100,000,000 to \$249,999,999	82	(23,422,086)	(285,635)	236	33,081,358	140,175	12	330	9,659,272
\$250,000,000 to \$499,999,999	31	(5,897,868)	(190,254)	113	29,173,786	258,175	} 6	} 259	23,275,918
\$500,000,000 to \$999,999,999	22	(7,157,864)	(325,357)	87	43,151,634	495,996			0
\$1,000,000,000 and Over	34	(22,983,831)	(675,995)	127	170,597,319	1,343,286			147,613,488
Total	1,894	(174,255,959)	(92,004)	2,131	317,896,543	149,177	2,026	6,051	143,640,584

*Brackets indicate consolidation for disclosure purposes.

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Tax Year 2007 Estimated Impact of Combined Reporting

Joyce Method of Apportionment

By Predominant Industry, Measured by Payroll, of Group

Industry	Winners			Losers			No Change	Total	
	#	\$	Average	#	\$	Average	#	#	\$
Agriculture	4	(29,505)	(7,376)	7	41,992	5,999	9	20	12,487
Mining	7	(426,090)	(60,870)	11	234,669	21,334	11	29	(191,421)
Utilities	25	(27,124,308)	(1,084,972)	27	1,169,146	43,302	31	83	(25,955,162)
Construction	90	(1,760,715)	(19,564)	79	2,829,030	35,811	91	260	1,068,315
Manufacturing	511	(40,204,126)	(78,677)	483	57,505,605	119,059	424	1,418	17,301,479
Wholesale Trade	145	(8,597,420)	(59,293)	185	13,617,599	73,609	95	425	5,020,179
Retail Trade	97	(3,898,247)	(40,188)	171	56,897,748	332,735	117	385	52,999,501
Transportation and Warehousing	80	(5,139,548)	(64,244)	77	3,282,240	42,626	73	230	(1,857,308)
Information	117	(12,536,220)	(107,147)	90	26,869,401	298,549	127	334	14,333,181
Finance and Insurance	205	(31,078,561)	(151,603)	169	56,928,455	336,855	237	611	25,849,894
Real Estate and Rental and Leasing	128	(3,156,435)	(24,660)	100	4,403,275	44,033	190	418	1,246,840
Professional, Scientific and Technical Services	280	(21,016,527)	(75,059)	256	21,213,083	82,864	330	866	196,556
Management of Companies	95	(5,524,147)	(58,149)	87	12,611,807	144,963	89	271	7,087,660
Admin. Support, Waste Mgmt., and Remediation Svcs.	81	(11,946,734)	(147,491)	70	4,186,355	59,805	55	206	(7,760,379)
Educational Services	15	(1,381,717)	(92,114)	9	131,598	14,622	14	38	(1,250,119)
Health Care and Social Assistance	52	(4,661,862)	(89,651)	40	3,031,683	75,792	70	162	(1,630,179)
Arts, Entertainment, and Recreation	13	(941,004)	(72,385)	6	91,681	15,280	19	38	(849,323)
Accommodation and Food Services	37	(1,480,267)	(40,007)	54	8,151,013	150,945	40	131	6,670,746
Other Services	33	(593,605)	(17,988)	30	832,499	27,750	38	101	238,894
Misreported	6	(537,432)	(89,572)	8	298,764	37,346	11	25	(238,668)
Total	2,021	(182,034,470)	(90,071)	1,959	274,327,643	140,035	2,071	6,051	92,293,173

Tax Year 2007 Estimated Distributional Impact of Combined Reporting
Joyce Method of Apportionment
By Predominant Industry, Measured by Payroll, of Group

Industry	Winners		Losers		No Change	Total	
	#	\$	#	\$	#	#	\$
Agriculture	0.2%	0.0%	0.4%	0.0%	0.4%	0.3%	0.0%
Mining	0.3%	0.2%	0.6%	0.1%	0.5%	0.5%	-0.2%
Utilities	1.2%	14.9%	1.4%	0.4%	1.5%	1.4%	-28.1%
Construction	4.5%	1.0%	4.0%	1.0%	4.4%	4.3%	1.2%
Manufacturing	25.3%	22.1%	24.7%	21.0%	20.5%	23.4%	18.7%
Wholesale Trade	7.2%	4.7%	9.4%	5.0%	4.6%	7.0%	5.4%
Retail Trade	4.8%	2.1%	8.7%	20.7%	5.6%	6.4%	57.4%
Transportation and Warehousing	4.0%	2.8%	3.9%	1.2%	3.5%	3.8%	-2.0%
Information	5.8%	6.9%	4.6%	9.8%	6.1%	5.5%	15.5%
Finance and Insurance	10.1%	17.1%	8.6%	20.8%	11.4%	10.1%	28.0%
Real Estate and Rental and Leasing	6.3%	1.7%	5.1%	1.6%	9.2%	6.9%	1.4%
Professional, Scientific and Technical Services	13.9%	11.5%	13.1%	7.7%	15.9%	14.3%	0.2%
Management of Companies	4.7%	3.0%	4.4%	4.6%	4.3%	4.5%	7.7%
Admin. Support, Waste Mgmt., and Remediation Svcs.	4.0%	6.6%	3.6%	1.5%	2.7%	3.4%	-8.4%
Educational Services	0.7%	0.8%	0.5%	0.0%	0.7%	0.6%	-1.4%
Health Care and Social Assistance	2.6%	2.6%	2.0%	1.1%	3.4%	2.7%	-1.8%
Arts, Entertainment, and Recreation	0.6%	0.5%	0.3%	0.0%	0.9%	0.6%	-0.9%
Accommodation and Food Services	1.8%	0.8%	2.8%	3.0%	1.9%	2.2%	7.2%
Other Services	1.6%	0.3%	1.5%	0.3%	1.8%	1.7%	0.3%
Misreported	0.3%	0.3%	0.4%	0.1%	0.5%	0.4%	-0.3%
Total	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*Bureau of Revenue Estimates
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Tax Year 2007 Estimated Impact of Combined Reporting
Finnigan Method of Apportionment
By Predominant Industry, Measured by Payroll, of Group

Industry	Winners			Losers			No Change	Total	
	#	\$	Average	#	\$	Average	#	#	\$
Agriculture	4	(29,505)	(7,376)	7	41,980	5,997	9	20	12,475
Mining	7	(425,986)	(60,855)	11	273,984	24,908	11	29	(152,002)
Utilities	25	(27,124,300)	(1,084,972)	27	1,195,392	44,274	31	83	(25,928,908)
Construction	84	(1,708,743)	(20,342)	85	3,348,207	39,391	91	260	1,639,464
Manufacturing	435	(36,256,466)	(83,348)	574	81,695,354	142,326	409	1,418	45,438,888
Wholesale Trade	81	(11,946,734)	(147,491)	70	4,186,355	70,368	90	425	6,141,594
Retail Trade	15	(1,381,717)	(92,114)	9	131,598	342,357	116	385	55,001,353
Transportation and Warehousing	78	(4,918,521)	(63,058)	81	3,393,874	41,900	71	230	(1,524,647)
Information	113	(10,535,020)	(93,230)	98	31,070,024	317,041	123	334	20,535,004
Finance and Insurance	200	(30,611,073)	(153,055)	180	61,944,300	344,135	231	611	31,333,227
Real Estate and Rental and Leasing	125	(3,076,223)	(24,610)	105	4,954,331	47,184	188	418	1,878,108
Professional, Scientific and Technical Services	274	(20,865,064)	(76,150)	264	24,278,142	91,963	328	866	3,413,078
Management of Companies	90	(5,440,447)	(60,449)	98	14,894,131	151,981	83	271	9,453,684
Admin. Support, Waste Mgmt., and Remediation Svcs.	79	(11,721,066)	(148,368)	72	4,681,589	65,022	55	206	(7,039,477)
Educational Services	15	(1,381,717)	(92,114)	9	171,285	19,032	14	38	(1,210,432)
Health Care and Social Assistance	52	(4,635,254)	(89,140)	40	3,060,790	76,520	70	162	(1,574,464)
Arts, Entertainment, and Recreation	13	(941,004)	(72,385)	8	94,105	11,763	17	38	(846,899)
Accommodation and Food Services	36	(1,456,565)	(40,460)	54	8,162,328	151,154	41	131	6,705,763
Other Services	31	(423,662)	(13,667)	33	1,027,105	31,124	37	101	603,443
Misreported	6	(537,432)	(89,572)	8	298,764	37,346	11	25	(238,668)
Total	1,894	(174,255,959)	(92,004)	2,131	317,896,543	149,177	2,026	6,051	143,640,584

Tax Year 2007 Estimated Distributional Impact of Combined Reporting
Finnigan Method of Apportionment
By Predominant Industry, Measured by Payroll, of Group

Industry	Winners		Losers		No Change	Total	
	#	\$	#	\$	#	#	\$
Agriculture	0.2%	0.0%	0.3%	0.0%	0.4%	0.3%	0.0%
Mining	0.4%	0.2%	0.5%	0.1%	0.5%	0.5%	-0.1%
Utilities	1.3%	15.6%	1.3%	0.4%	1.5%	1.4%	-18.1%
Construction	4.4%	1.0%	4.0%	1.1%	4.5%	4.3%	1.1%
Manufacturing	23.0%	20.8%	26.9%	25.7%	20.2%	23.4%	31.6%
Wholesale Trade	6.9%	4.8%	9.6%	4.5%	4.4%	7.0%	4.3%
Retail Trade	5.1%	2.2%	8.1%	18.5%	5.7%	6.4%	38.3%
Transportation and Warehousing	4.1%	2.8%	3.8%	1.1%	3.5%	3.8%	-1.1%
Information	6.0%	6.0%	4.6%	9.8%	6.1%	5.5%	14.3%
Finance and Insurance	10.6%	17.6%	8.4%	19.5%	11.4%	10.1%	21.8%
Real Estate and Rental and Leasing	6.6%	1.8%	4.9%	1.6%	9.3%	6.9%	1.3%
Professional, Scientific and Technical Services	14.5%	12.0%	12.4%	7.6%	16.2%	14.3%	2.4%
Management of Companies	4.8%	3.1%	4.6%	4.7%	4.1%	4.5%	6.6%
Admin. Support, Waste Mgmt., and Remediation Svcs.	4.2%	6.7%	3.4%	1.5%	2.7%	3.4%	-4.9%
Educational Services	0.8%	0.8%	0.4%	0.1%	0.7%	0.6%	-0.8%
Health Care and Social Assistance	2.7%	2.7%	1.9%	1.0%	3.5%	2.7%	-1.1%
Arts, Entertainment, and Recreation	0.7%	0.5%	0.4%	0.0%	0.8%	0.6%	-0.6%
Accommodation and Food Services	1.9%	0.8%	2.5%	2.6%	2.0%	2.2%	4.7%
Other Services	1.6%	0.2%	1.5%	0.3%	1.8%	1.7%	0.4%
Misreported	0.3%	0.3%	0.4%	0.1%	0.5%	0.4%	-0.2%
Total	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*Bureau of Revenue Estimates
Comptroller of Maryland
March 2, 2010*

Tax Year 2006 Estimated Impact of Combined Reporting
Joyce Method of Apportionment
By Group Maryland Modified Income

Group Maryland Modified Income	Winners			Losers			No Change	Total	
	#	\$	Average	#	\$	Average	#	#	\$
Non-Taxable	636	(58,258,315)	(91,601)	0	0	0	1,614	2,250	(58,258,315)
Under \$500,000	263	(1,366,434)	(5,196)	345	389,297	1,128	197	805	(977,137)
\$500,000 to \$999,999	79	(620,592)	(7,856)	86	278,789	3,242	36	201	(341,803)
\$1,000,000 to \$4,999,999	277	(5,508,770)	(19,887)	310	2,696,701	8,699	92	679	(2,812,069)
\$5,000,000 to \$9,999,999	133	(2,937,652)	(22,088)	173	2,093,261	12,100	35	341	(844,391)
\$10,000,000 to \$24,999,999	181	(6,787,811)	(37,502)	287	5,054,093	17,610	44	512	(1,733,718)
\$25,000,000 to \$99,999,999	259	(20,418,593)	(78,836)	390	23,171,834	59,415	45	694	2,753,241
\$100,000,000 to \$249,999,999	105	(7,338,184)	(69,887)	228	28,446,270	124,764	20	353	21,108,086
\$250,000,000 to \$499,999,999	46	(14,058,817)	(305,626)	120	28,872,165	240,601	4	170	14,813,348
\$500,000,000 to \$999,999,999	35	(10,157,516)	(290,215)	83	49,179,754	592,527	5	123	39,022,238
\$1,000,000,000 and Over	44	(31,788,402)	(722,464)	112	163,188,217	1,457,038	0	156	131,399,815
Total	2,058	(159,241,086)	(77,377)	2,134	303,370,381	142,160	2,092	6,284	144,129,295

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Comptroller of Maryland
March 2, 2010

Tax Year 2006 Estimated Impact of Combined Reporting
Finnigan Method of Apportionment
 By Group Maryland Modified Income

Group Maryland Modified Income	Winners			Losers			No Change	Total	
	#	\$	Average	#	\$	Average	#	#	\$
Non-Taxable	636	(58,258,315)	(91,601)	0	0	0	1,614	2,250	(58,258,315)
Under \$500,000	252	(1,356,466)	(5,383)	364	397,721	1,093	189	805	(958,745)
\$500,000 to \$999,999	76	(619,569)	(8,152)	95	264,613	2,785	30	201	(354,956)
\$1,000,000 to \$4,999,999	265	(5,364,683)	(20,244)	336	2,831,115	8,426	78	679	(2,533,568)
\$5,000,000 to \$9,999,999	125	(2,882,552)	(23,060)	186	2,441,733	13,128	30	341	(440,819)
\$10,000,000 to \$24,999,999	162	(6,663,059)	(41,130)	318	5,688,111	17,887	32	512	(974,948)
\$25,000,000 to \$99,999,999	225	(19,920,447)	(88,535)	443	26,824,858	60,553	26	694	6,904,411
\$100,000,000 to \$249,999,999	79	(6,689,802)	(84,681)	258	34,676,554	134,405	16	353	27,986,752
\$250,000,000 to \$499,999,999	37	(12,735,847)	(344,212)	131	34,112,425	260,400	} 7	} 293	21,376,578
\$500,000,000 to \$999,999,999	27	(9,556,637)	(353,950)	91	55,011,397	604,521			0
\$1,000,000,000 and Over	40	(28,596,030)	(714,901)	116	187,236,927	1,614,111			158,640,897
Total	1,924	(152,643,407)	(79,336)	2,338	349,485,454	149,481	2,022	6,284	196,842,047

*Brackets indicate consolidation for disclosure purposes.

Bureau of Revenue Estimates
Comptroller of Maryland
 March 2, 2010

Tax Year 2006 Estimated Impact of Combined Reporting
Joyce Method of Apportionment
 By Predominant Industry, Measured by Payroll, of Group

Industry	Winners			Losers			No Change	Total	
	#	\$	Average	#	\$	Average		#	\$
Agriculture	7	(46,853)	(6,693)	11	127,718	11,611	11	29	80,865
Mining	8	(152,192)	(19,024)	13	385,444	29,650	10	31	233,252
Utilities	32	(17,198,450)	(537,452)	30	1,247,467	41,582	33	95	(15,950,983)
Construction	109	(2,016,142)	(18,497)	94	6,992,452	74,388	94	297	4,976,310
Manufacturing	535	(32,350,605)	(60,468)	529	75,044,135	141,860	413	1,477	42,693,530
Wholesale Trade	145	(4,035,300)	(27,830)	188	17,595,177	93,591	95	428	13,559,877
Retail Trade	104	(5,281,976)	(50,788)	203	64,822,749	319,324	97	404	59,540,773
Transportation and Warehousing	80	(2,392,494)	(29,906)	89	5,013,923	56,336	63	232	2,621,429
Information	107	(29,039,412)	(271,396)	89	22,907,291	257,385	140	336	(6,132,121)
Finance and Insurance	190	(16,086,195)	(84,664)	196	59,371,776	302,917	226	612	43,285,581
Real Estate and Rental and Leasing	138	(9,200,693)	(66,672)	112	8,774,638	78,345	181	431	(426,055)
Professional, Scientific and Technical Services	260	(13,899,324)	(53,459)	271	16,877,167	62,277	377	908	2,977,843
Management of Companies	102	(11,980,304)	(117,454)	76	6,612,028	87,000	90	268	(5,368,276)
Admin. Support, Waste Mgmt., and Remediation Svcs.	77	(4,790,185)	(62,210)	67	5,385,217	80,376	71	215	595,032
Educational Services	20	(881,713)	(44,086)	16	241,206	15,075	11	47	(640,507)
Health Care and Social Assistance	51	(5,621,531)	(110,226)	49	2,821,254	57,577	68	168	(2,800,277)
Arts, Entertainment, and Recreation	17	(758,771)	(44,634)	9	109,799	12,200	17	43	(648,972)
Accommodation and Food Services	33	(2,671,182)	(80,945)	57	8,181,117	143,528	41	131	5,509,935
Other Services	35	(414,809)	(11,852)	27	588,533	21,798	43	105	173,724
Misreported	8	(422,955)	(52,869)	8	271,290	33,911	11	27	(151,665)
Total	2,058	(159,241,086)	(77,377)	2,134	303,370,381	142,160	2,092	6,284	144,129,295

Tax Year 2006 Estimated Distributional Impact of Combined Reporting
Joyce Method of Apportionment
 By Predominant Industry, Measured by Payroll, of Group

Industry	Winners		Losers		No Change	Total	
	#	\$	#	\$	#	#	\$
Agriculture	0.3%	0.0%	0.5%	0.0%	0.5%	0.5%	0.1%
Mining	0.4%	0.1%	0.6%	0.1%	0.5%	0.5%	0.2%
Utilities	1.6%	10.8%	1.4%	0.4%	1.6%	1.5%	-11.1%
Construction	5.3%	1.3%	4.4%	2.3%	4.5%	4.7%	3.5%
Manufacturing	26.0%	20.3%	24.8%	24.7%	19.7%	23.5%	29.6%
Wholesale Trade	7.0%	2.5%	8.8%	5.8%	4.5%	6.8%	9.4%
Retail Trade	5.1%	3.3%	9.5%	21.4%	4.6%	6.4%	41.3%
Transportation and Warehousing	3.9%	1.5%	4.2%	1.7%	3.0%	3.7%	1.8%
Information	5.2%	18.2%	4.2%	7.6%	6.7%	5.3%	-4.3%
Finance and Insurance	9.2%	10.1%	9.2%	19.6%	10.8%	9.7%	30.0%
Real Estate and Rental and Leasing	6.7%	5.8%	5.2%	2.9%	8.7%	6.9%	-0.3%
Professional, Scientific and Technical Services	12.6%	8.7%	12.7%	5.6%	18.0%	14.4%	2.1%
Management of Companies	5.0%	7.5%	3.6%	2.2%	4.3%	4.3%	-3.7%
Admin. Support, Waste Mgmt., and Remediation Svcs.	3.7%	3.0%	3.1%	1.8%	3.4%	3.4%	0.4%
Educational Services	1.0%	0.6%	0.7%	0.1%	0.5%	0.7%	-0.4%
Health Care and Social Assistance	2.5%	3.5%	2.3%	0.9%	3.3%	2.7%	-1.9%
Arts, Entertainment, and Recreation	0.8%	0.5%	0.4%	0.0%	0.8%	0.7%	-0.5%
Accommodation and Food Services	1.6%	1.7%	2.7%	2.7%	2.0%	2.1%	3.8%
Other Services	1.7%	0.3%	1.3%	0.2%	2.1%	1.7%	0.1%
Misreported	0.4%	0.3%	0.4%	0.1%	0.5%	0.4%	-0.1%
Total	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*Bureau of Revenue Estimates
 Comptroller of Maryland
 March 2, 2010*

Tax Year 2006 Estimated Impact of Combined Reporting
Finnigan Method of Apportionment
By Predominant Industry, Measured by Payroll, of Group

Industry	Winners			Losers			No Change	Total	
	#	\$	Average	#	\$	Average		#	\$
Agriculture	7	(46,853)	(6,693)	11	127,134	11,558	11	29	80,281
Mining	8	(149,026)	(18,628)	13	688,250	52,942	10	31	539,224
Utilities	32	(17,198,450)	(537,452)	30	1,260,228	42,008	33	95	(15,938,222)
Construction	103	(1,906,786)	(18,512)	102	7,665,764	75,155	92	297	5,758,978
Manufacturing	456	(30,164,528)	(66,150)	634	101,224,323	159,660	387	1,477	71,059,795
Wholesale Trade	81	(11,946,734)	(147,491)	70	4,186,355	92,205	90	428	14,967,410
Retail Trade	15	(1,381,717)	(92,114)	9	131,598	327,008	96	404	63,196,277
Transportation and Warehousing	78	(2,348,443)	(30,108)	96	4,698,028	48,938	58	232	2,349,585
Information	104	(27,436,584)	(263,813)	93	26,686,951	286,956	139	336	(749,633)
Finance and Insurance	183	(15,356,989)	(83,918)	212	66,463,196	313,506	217	612	51,106,207
Real Estate and Rental and Leasing	134	(8,443,689)	(63,013)	119	8,956,824	75,267	178	431	513,135
Professional, Scientific and Technical Services	253	(13,754,869)	(54,367)	286	18,291,002	63,955	369	908	4,536,133
Management of Companies	95	(11,530,679)	(121,376)	87	8,018,954	92,172	86	268	(3,511,725)
Admin. Support, Waste Mgmt., and Remediation Svcs.	77	(4,763,722)	(61,867)	69	5,704,186	82,669	69	215	940,464
Educational Services	20	(881,634)	(44,082)	16	307,159	19,197	11	47	(574,475)
Health Care and Social Assistance	51	(5,610,743)	(110,015)	49	2,848,264	58,128	68	168	(2,762,479)
Arts, Entertainment, and Recreation	17	(758,771)	(44,634)	10	127,028	12,703	16	43	(631,743)
Accommodation and Food Services	32	(2,659,851)	(83,120)	58	8,208,473	141,525	41	131	5,548,622
Other Services	33	(217,975)	(6,605)	32	783,742	24,492	40	105	565,767
Misreported	8	(422,955)	(52,869)	8	271,401	33,925	11	27	(151,554)
Total	1,924	(152,643,407)	(79,336)	2,338	349,485,454	149,481	2,022	6,284	196,842,047

Bureau of Revenue Estimates
Comptroller of Maryland
March 2, 2010

Tax Year 2007 Estimated Distributional Impact of Combined Reporting
Finnigan Method of Apportionment
 By Predominant Industry, Measured by Payroll, of Group

Industry	Winners		Losers		No Change	Total	
	#	\$	#	\$	#	#	\$
Agriculture	0.4%	0.0%	0.5%	0.0%	0.5%	0.5%	0.0%
Mining	0.4%	0.1%	0.6%	0.2%	0.5%	0.5%	0.3%
Utilities	1.7%	11.3%	1.3%	0.4%	1.6%	1.5%	-8.1%
Construction	5.4%	1.2%	4.4%	2.2%	4.5%	4.7%	2.9%
Manufacturing	23.7%	19.8%	27.1%	29.0%	19.1%	23.5%	36.1%
Wholesale Trade	7.0%	2.5%	8.7%	5.4%	4.5%	6.8%	7.6%
Retail Trade	5.1%	3.4%	8.9%	19.6%	4.7%	6.4%	32.1%
Transportation and Warehousing	4.1%	1.5%	4.1%	1.3%	2.9%	3.7%	1.2%
Information	5.4%	18.0%	4.0%	7.6%	6.9%	5.3%	-0.4%
Finance and Insurance	9.5%	10.1%	9.1%	19.0%	10.7%	9.7%	26.0%
Real Estate and Rental and Leasing	7.0%	5.5%	5.1%	2.6%	8.8%	6.9%	0.3%
Professional, Scientific and Technical Services	13.1%	9.0%	12.2%	5.2%	18.2%	14.4%	2.3%
Management of Companies	4.9%	7.6%	3.7%	2.3%	4.3%	4.3%	-1.8%
Admin. Support, Waste Mgmt., and Remediation Svcs.	4.0%	3.1%	3.0%	1.6%	3.4%	3.4%	0.5%
Educational Services	1.0%	0.6%	0.7%	0.1%	0.5%	0.7%	-0.3%
Health Care and Social Assistance	2.7%	3.7%	2.1%	0.8%	3.4%	2.7%	-1.4%
Arts, Entertainment, and Recreation	0.9%	0.5%	0.4%	0.0%	0.8%	0.7%	-0.3%
Accommodation and Food Services	1.7%	1.7%	2.5%	2.3%	2.0%	2.1%	2.8%
Other Services	1.7%	0.1%	1.4%	0.2%	2.0%	1.7%	0.3%
Misreported	0.4%	0.3%	0.3%	0.1%	0.5%	0.4%	-0.1%
Total	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*Bureau of Revenue Estimates
 Comptroller of Maryland
 March 2, 2010*