

Looking Ahead Since 1945

“The General Assembly...provided for an additional employee to give special attention to the study of revenues...attached to the State Comptroller’s Office...it is expected that (someone) with the necessary qualifications for this work will be obtained soon.”

Estimating revenues for future state budgets had become an arduous task for Comptroller J. Millard Tawes by the time he included that announcement in the state’s annual financial report 50 years ago.

After the legislature inaugurated a new Board of Revenue Estimates in 1945 (consisting of the State Comptroller, the State Treasurer and the Director of Budget and Fiscal Affairs), the comptroller created a Bureau of Revenue Estimates as a separate division of the Comptroller’s Office to focus solely on dependable revenue forecasting to help shape future state budgets.

The function grew even more important as the state’s revenue structure changed dramatically in the postwar years. The bulk of state tax dollars had traditionally been generated by licenses, fees and property taxes. The state income tax, adopted in 1937 and destined to become the top general fund revenue source, was still in its infancy. The sales tax would be added in 1947 and a state lottery in 1974.

These major revenue sources were destined to grow by leaps and bounds, dominating Maryland’s revenue picture - while testing

the skills of revenue estimators - to this very day. Yet, the predictions of the forecasters remain highly accurate. ⚙



Ann O'Brien Franklin (left) and Denise Walter of the Bureau of Revenue Estimates in the Maryland State Comptroller's Office review econometric models reflecting employment trends in Maryland during 1995. Photo: Mike Walsh.