major tax rates more than 300 times over the last decade (1960-69). In the calendar year 1969, 36 state legislatures approved new taxes or increased existing rates. Such action will augment tax receipts by $4 billion. Moreover, in 1970, state legislatures increased taxes another $800 million. State tax revenues amounted to $47.8 billion in the 12 months ending June, 1970.

State and local expenditures

During the period 1950-1969, state government expenditures increased by 415% while federal expenditures over the same period increased by only 219%. Significantly, local government expenditures increased 354% over this same period. In addition, during the decade 1958-68, state and local debt rose by 108% while the federal debt increased by only 26%.

Fiscal Gap

Projections of state and local expenditures for 1975 are estimated to be $200 billion. Federal grants could reach $40 billion by 1975 but even with such federal aid states and localities would still be faced with a $15 billion deficit, assuming normal revenue growth. While state and local expenditures are increasing at an annual rate of 10-12%, state and local revenues are expected to continue to rise annually at a rate of 4-6%. Moreover, of the $200 billion presently collected by the federal government in tax revenues, $28.8 billion or only 14% is passed back to States and localities in the form of federal aid.

Federal preemption of primary tax sources

The federal government has virtually preempted the major sources of tax revenue. The national government presently collects 65% of all taxes paid in this nation. More significantly, over 91% of all income tax revenue is now collected by Washington and this revenue source is the most sensitive to economic growth; for every one per cent of growth in the nation's economy, income tax receipts automatically rise by about 1.5 per cent. In contrast, state and local governments are forced to rely primarily on property and sales taxes which do not respond progressively to national economic growth. Despite the near monopoly enjoyed by the federal government over the income tax source, as of January 1970, 37 states now impose their own taxes on personal income and over 40 states have a corporate income tax. However, state income tax rates necessarily reflect the unique fiscal competition among states to attract and hold industry vital to state economic development—a constraint not placed upon the national government."

Based upon these important considerations, the General Assembly of Maryland is requesting the Congress of the United States to make prompt and adequate provision for a meaningful sharing of federal tax revenues with the several states; now, therefore, be it

Resolved by the General Assembly of Maryland, That the Congress of the United States is requested promptly to provide legislation necessary for an adequate and a useful sharing of federal tax revenues with the several states of the Union; and be it further

RESOLVED, THAT THE ENACTMENT OF SAID ADEQUATE AND USEFUL SHARING OF FEDERAL TAX REVENUES