



William Donald Schaefer
Comptroller
5154

March 10, 2004

Senator Paul G. Pinsky
James Senate Office Building, Room 220
110 College Ave.
Annapolis, MD 21401 - 1991

Dear Senator Pinsky:

This letter is in response to your request of February 18 regarding the amount of corporate income taxes paid by the largest corporations in the State. Unfortunately, we are not able to respond to the specifics of your request, largely because there are many accounts in the tax system which do not have any industry classification (because that information is not necessary to process tax returns), and because there is no "biotechnology" category in any standard industry classification.

What we have provided is data on the corporate income taxes paid by the 150 largest withholding accounts in the tax system, broken out by general industry categories and by size of company. We have used withholding as the measure of the largest companies because it generally does relate directly to company size measured by employment, and because it is difficult to pull data out of the system using external criteria, such as a list of employer names. I trust these breakdowns will meet your needs.

You should be aware that this information most likely does not provide a full picture of the corporate income taxes paid by many businesses as commonly perceived. For a variety of reasons, one "business" may be comprised of several related entities—one for payroll, one for finance, one to manage real properties, etc., or several related entities pursuing slightly different business goals. It may be the case that one of these related entities pays the employees of all of the entities in the group, and remits to the Comptroller the income tax withholding, but pays very little or no corporate income tax. Another related entity, however, may be paying substantial amounts of corporate income tax. There are examples of businesses with over a dozen separate accounts in our system, some or all of which could be paying corporate income tax. Unfortunately, our tax system cannot tie related entities together to find the total corporate income tax paid by the "business" as a whole. But such a structure does not necessarily imply tax avoidance.

The attached tables provide a variety of information about corporate income taxes paid by the 150 largest corporations in the State in 2001 and 2002, including how many did not pay any tax. It should be noted that there are several legitimate reasons

for paying no income tax in any given year, including having no profits in that tax year, using carry-forward or carry-back losses to reduce income, and using income tax credits to reduce liability. There are other reasons for paying no income tax in any given year. You will also find a listing of the corporations included in this analysis sorted alphabetically in cohorts of descending size, along with the associated industry.

I hope this information is helpful to you. If you have any questions or concerns about this information, please contact Mr. David Roose, director of the Bureau of Revenue Estimates.

Sincerely,



William Donald Schaefer

Corporate Income Taxes Paid

Non-Government Taxpayers with Largest Payrolls

Tax Years 2001 and 2002

Tax Year 2001

Tax Year 2002

Industry Sector	Income Tax	Accounts	
		Total	Taxpaying
Nonprofit	119,839	20	4
Manufacturing	12,087,723	42	13
Transp, Comm, Utilities	31,371,297	16	10
Retail	10,843,837	16	5
Financial, Banking	6,404,110	22	6
Other	4,863,829	34	12
Total	65,690,634	150	50

Industry Sector	Income Tax	Accounts	
		Total	Taxpaying
Nonprofit	0	19	0
Manufacturing	9,786,333	39	10
Transp, Comm, Utilities	25,950,950	19	6
Retail	12,141,889	16	5
Financial, Banking	9,816,654	22	8
Other	9,425,620	35	11
Total	67,121,446	150	40

Payroll Rank	Excluding Not-for-Profits	Income Tax	Accounts	
			Total	Taxpaying
First 25		21,889,674	25	13
Second 25		11,131,954	25	5
Third 25		15,812,640	25	7
Fourth 25		5,229,018	25	8
Fifth 25		1,335,251	25	3
Sixth 25		10,292,097	25	10
Total		65,690,634	150	46

Payroll Rank	Excluding Not-for-Profits	Income Tax	Accounts	
			Total	Taxpaying
First 25		31,323,447	25	9
Second 25		11,193,435	25	7
Third 25		2,203,442	25	5
Fourth 25		6,571,269	25	7
Fifth 25		5,849,022	25	4
Sixth 25		9,980,831	25	8
Total		67,121,446	150	40

Bureau of Revenue Estimates
March 10, 2004

150 Largest Maryland Companies by Payroll

Alphabetically in Groups by Size
2002

Rank 1-25		Rank 26-50	
Company	Industry	Company	Industry
Ahold USA Holdings Inc. (Giant Food)	Retail	Adventist Healthcare, Inc.	Nonprofit
Allfirst Financial, Inc.	Financial, Banking	America Online Inc.	Other
Baltimore Gas & Electric	Transp, Comm, Utilities	AT&T Corp	Transp, Comm, Utilities
Bank of America Tech & Operations, Inc.	Financial, Banking	BAE Systems Applied Technologies	Manufacturing
Bethlehem Steel Corp.	Manufacturing	Black & Decker US, Inc.	Manufacturing
Booz Allen Hamilton, Inc.	Other	Calvert Cliffs Nuclear Power Plant, Inc.	Transp, Comm, Utilities
Corriputer Sciences Corp.	Other	Chevy Chase Bank FSB	Financial, Banking
Deutsche Banc Alex Brown	Financial, Banking	Dimensions Health	Nonprofit
General Motors Corporation	Manufacturing	Dyncorp	Other
Helix Health Inc.	Nonprofit	Electronic Data Systems Corporation	Other
Hughes Network Systems	Manufacturing	First Union Services, Inc.	Financial, Banking
International Business Machines	Other	Greater Baltimore Medical Center, Inc.	Nonprofit
Legg Mason Wood Walker	Financial, Banking	Home Depot USA Inc.	Retail
Lockheed Martin Corp.	Manufacturing	Kaiser Foundation Health	Nonprofit
Marriott International Ad	Other	May Department Stores Co.	Retail
MCI Worldcom Network Services, Inc.	Transp, Comm, Utilities	McCormick & Company Inc.	Manufacturing
Northrop Grumman Corp.	Manufacturing	Mercy Medical Ctr, Inc.	Nonprofit
Safeway, Inc.	Retail	Mid Atlantic Medical Services, Inc.	Nonprofit
Science Applications Intl Corp.	Other	Northrop Grumman Information	Manufacturing
Sinai Hospital of Baltimore, Inc.	Nonprofit	Orion Power Holdings	Transp, Comm, Utilities
T Rowe Price & Assoc Inc	Financial, Banking	Potomac Electric Power Co.	Transp, Comm, Utilities
United Parcel Service, Inc.	Transp, Comm, Utilities	Raytheon Company	Other
University of Md Medical Systems Corporati	Nonprofit	Rite Aid of Maryland, Inc.	Retail
Verizon	Transp, Comm, Utilities	W R Grace & Co. Comm	Manufacturing
Wal Mart Associates, Inc.	Retail	Washington Post Co.	Other

150 Largest Maryland Companies by Payroll

Alphabetically in Groups by Size
2002

Rank 51-75		Rank 76-100	
Company	Industry	Company	Industry
Anne Arundel Medical Center	Nonprofit	Actema LLC	Manufacturing
Becton Dickinson and Company	Manufacturing	Citigroup Global Markets	Financial, Banking
Citifinancial, Inc.	Financial, Banking	Conopco, Inc. C/O UNUS Tax	Other
Clark Construction Group, Inc.	Other	Constellation Power Source	Transp, Comm, Utilities
Coca-Cola Enterprises, Inc.	Manufacturing	Dean Witter Reynolds	Financial, Banking
COMPAQ Computer Corporation	Manufacturing	DelHaize America, Inc.	Retail
Federal Express Corporation	Transp, Comm, Utilities	Digex Incorporated	Other
Frederick Memorial Hosp	Nonprofit	Discovery Communications, Inc.	Other
GE Information Services, Inc.	Manufacturing	Human Genome Sciences, Inc.	Manufacturing
Heartland Employment Services	Other	JP Foodservice Distribution	Retail
Honeywell Technology Solutions, Inc.	Manufacturing	Lockheed Martin Operation	Manufacturing
Kaiser Mid Atlantic Perma	Nonprofit	Maryland General Hospital	Nonprofit
Lucent Technologies, Inc.	Manufacturing	MBNA Marketing Systems Inc	Financial, Banking
Marriott Management Services	Other	Medimmune, Inc	Financial, Banking
Northrop Grumman Space	Other	Merrill Lynch Pierce Fenner Smith, Inc.	Financial, Banking
NVR Services, Inc.	Other	Noxell Corp.	Manufacturing
Peninsula Regional Medical Center	Nonprofit	Oracle Corporation	Other
Perdue Farms	Manufacturing	Provident Bank of Maryland	Financial, Banking
Sears Roebuck and Co.	Retail	SAIC Frederick, Inc.	Other
Selective HR Solutions IV	Other	Shoppers Food Warehouse	Retail
St. Joseph Medical Center	Nonprofit	Suburban Hospital, Inc.	Nonprofit
The A&P Tea Co., Inc.	Retail	SunTrust Bank	Financial, Banking
The Baltimore Sun Co.	Other	Sweetheart Cup	Manufacturing
W L Gore & Associates, Inc.	Manufacturing	United Air Lines, Inc.	Transp, Comm, Utilities
Wells Fargo Home Mortgage	Financial, Banking	Whiting Turner Contracting	Other

150 Largest Maryland Companies by Payroll

Alphabetically in Groups by Size
2002

Rank 101-125		Rank 126-150	
Company	Industry	Company	Industry
ACS Government Services Inc	Other	AAI Corp	Manufacturing
AJN Holdings, Inc.	Other	American Airlines, Inc.	Transp, Comm, Utilities
ARINC Incorporated	Manufacturing	American Radiology Service	Other
BB&T Corporation	Financial, Banking	AON Service	Other
Bearingpoint Inc	Other	ASCO Healthcare Inc	Other
Boeing Co	Manufacturing	Citicorp Credit Services	Financial, Banking
COMSAT Corporation	Other	Corvis Corporation	Manufacturing
Constellation Energy Group	Transp, Comm, Utilities	Costco Wholesale Corp	Retail
Constellation Power Source	Transp, Comm, Utilities	CVS RX Services Inc	Retail
First Data Merchant Services	Financial, Banking	Ferris Baker Watts, Inc.	Financial, Banking
First Nationwide Mortgage	Financial, Banking	General Dynamics Government	Manufacturing
Hewlett-Packard Company	Manufacturing	General Electric Co.	Manufacturing
Intelsat Service Corporat	Transp, Comm, Utilities	Johns Hopkins Health System	Nonprofit
Kite Power Corp	Transp, Comm, Utilities	Kmart Corp.	Retail
Magellan Behavioral Care Sys.	Nonprofit	Lowes Home Centers, Inc.	Retail
Mantech International	Other	Mack Trucks, Inc.	Manufacturing
Mercantile-Safe Deposit	Financial, Banking	Manugistics, Inc.	Manufacturing
Nordstrom, Inc.	Retail	Melmer Corporation	Manufacturing
Orbital Sciences Corp.	Manufacturing	Millennium Inorganic Chem	Manufacturing
Prolease HR, Inc	Other	NASDAQ Stock Market Inc	Financial, Banking
Swales & Associates, Inc.	Other	Northwest Hospital Center	Nonprofit
Titan Systems Inc	Manufacturing	NVR Inc	Other
Washington Gas Light Company	Transp, Comm, Utilities	P & O Ports of Baltimore, Inc.	Transp, Comm, Utilities
Westvaco Corp.	Manufacturing	Sprint United Management	Transp, Comm, Utilities
Xerox Corporation	Manufacturing	UHC Management Co Inc	Other

Bureau of Revenue Estimates
March 10, 2004



William Donald Schaefer
Comptroller

David F. Roose
Director
Bureau of Revenue Estimates

March 3, 2005

Senator Paul G. Pinsky
James Senate Office Building, Room 220
110 College Ave.
Annapolis, MD 21401 - 1991

Dear Senator Pinsky:

This letter is in response to a request from your office to update information we provided to you last year regarding corporate income taxes paid by the largest corporations in the State. You will recall that we used individual income tax withholding as the measure of the largest companies because it generally does relate directly to company size measured by employment and because it is the most readily available measure to the Comptroller's Office. Attached to this letter are several tables, including revised tax year 2002 data and new 2003 data.

I will offer the same cautions about this data that we offered last year—this information most likely does not provide a full picture of the corporate income taxes paid by many “businesses” as they are commonly perceived. There are examples of businesses with over a dozen separate accounts in our system, some or all of which could be paying corporate income tax. These separate entities could be set up for management, insurance, finance or other purposes, but in the public mind they represent one “business.” Unfortunately, our tax system cannot tie related entities together to find the total corporate income tax paid by the “business” as a whole. But such a structure does not necessarily imply tax avoidance.

The attached tables provide a variety of information about corporate income taxes paid by the 150 largest corporations in the State in 2002 and 2003, including how many did not pay any tax. As you know, there are several legitimate reasons for paying no income tax in any given year, including having no profits in that tax year, using carry-forward or carry-back losses to reduce income, and using income tax credits to reduce liability. There are also illegitimate reasons for paying no income tax in any given year. You will also find a listing of the corporations included in this analysis sorted alphabetically in cohorts of descending size, along with the associated industry.

I hope this information is responsive to your request. If you have any questions, please do not hesitate to contact me at (410) 260-7450.

Sincerely,

David F. Roose
Director

Corporate Income Taxes Paid

Non-Government Taxpayers with Largest Payrolls

Tax Years 2002 and 2003

Tax Year 2002		Tax Year 2003	
Industry Sector	Income Tax	Industry Sector	Income Tax
Accounts		Accounts	
Total	Taxpaying	Total	Taxpaying
Manufacturing	11,374,209	Manufacturing	6,448,325
Transp, Comm, Utilities	30,578,599	Transp, Comm, Utilities	38,715,475
Retail	17,647,053	Retail	14,322,146
Financial, Banking	8,512,381	Financial, Banking	9,326,035
Nonprofit & Other	5,225,057	Nonprofit & Other	6,866,164
Total	73,337,298	Total	75,678,145
	40		32
	19		16
	15		18
	20		20
	56		64
	150		150
	14		10
	9		7
	6		7
	6		9
	14		20
	49		53

Payroll Rank		Accounts	
Excluding Not-for-Profits	Income Tax	Total	Taxpaying
First 25	32,022,663	21	9
Second 25	16,168,974	19	9
Third 25	2,429,868	20	7
Fourth 25	8,387,529	23	10
Fifth 25	9,362,080	23	8
Sixth 25	4,966,185	23	6
Total	73,337,298	129	49

Payroll Rank		Accounts	
Excluding Not-for-Profits	Income Tax	Total	Taxpaying
First 25	36,736,766	22	13
Second 25	21,661,720	20	8
Third 25	2,797,077	20	6
Fourth 25	12,257,874	22	9
Fifth 25	288,190	23	5
Sixth 25	1,936,518	23	12
Total	75,678,145	130	53

150 Largest Maryland Companies by Payroll

Alphabetically in Groups by Size

2003

Rank 1-25

Rank 26-50

Company	Industry	Company	Industry
Adventist Healthcare, Inc.	Nonprofit	Administrastaff Companies II	Other
Ahold USA Holdings Inc. (Giant Food)	Retail	Anne Arundel Medical Center	Nonprofit
Baltimore Gas & Electric	Transp., Comm., Utilities	BAE Systems Applied Technologies	Manufacturing
Bank of America Tech & Operations, Inc.	Financial, Banking	Black & Decker US, Inc.	Manufacturing
Bechtel Group Inc	Other	Calvert Cliffs Nuclear Power Plant, Inc.	Transp., Comm., Utilities
Booz Allen Hamilton, Inc.	Other	Chevy Chase Bank FSB	Financial, Banking
Computer Sciences Corp.	Other	Deutsche Banc Alex Brown	Financial, Banking
General Motors Corporation	Manufacturing	Dimensions Health	Nonprofit
Home Depot USA Inc.	Retail	Discovery Communications, Inc.	Other
Hughes Network Systems	Manufacturing	Dyncorp	Other
International Business Machines	Other	Electronic Data Systems Corporation	Other
Legg Mason Wood Walker	Financial, Banking	Greater Baltimore Medical Center, Inc.	Nonprofit
Lockheed Martin Corp.	Manufacturing	Hewlett-Packard Company	Manufacturing
Manufacturers & Traders T	Financial, Banking	ISG Sparrows Point Inc	Manufacturing
Marriott International Ad	Other	Kaiser Foundation Health	Nonprofit
McCormick & Company Inc.	Manufacturing	May Department Stores Co.	Retail
Mid Atlantic Medical Services, Inc.	Nonprofit	MCI Telecommunications Co	Transp., Comm., Utilities
Northrop Grumman Corp.	Manufacturing	Northrop Grumman Information	Manufacturing
Safeway, Inc.	Retail	NVR Services, Inc.	Other
Science Applications Intl Corp.	Other	Potomac Electric Power Co.	Transp., Comm., Utilities
United Parcel Service, Inc.	Transp., Comm., Utilities	Rite Aid of Maryland, Inc.	Retail
University of Md Medical Systems Corporatit	Nonprofit	St Agnes Healthcare, Inc.	Nonprofit
Verizon	Transp., Comm., Utilities	W R Grace & Co. Conn	Manufacturing
Wachovia Services, Inc.	Financial, Banking	Washington Post Co.	Other
Wal Mart Associates, Inc.	Retail	Wells Fargo Home Mortgage	Financial, Banking

150 Largest Maryland Companies by Payroll

Alphabetically in Groups by Size
2003

Rank 51-75	Company	Industry	Rank 76-100	Company	Industry
	AT&T Corp	Transp, Comm, Utilities		Boeing Co	Manufacturing
	Becton Dickinson and Company	Manufacturing		Citigroup Global Markets	Financial, Banking
	Citifinancial, Inc.	Financial, Banking		Conopco, Inc. C/O UNUS Tax	Other
	Clark Construction Group, Inc.	Other		Constellation Energy Comm	Transp, Comm, Utilities
	Coca-Cola Enterprises, Inc.	Manufacturing		Constellation Energy Group	Transp, Comm, Utilities
	Federal Express Corporation	Transp, Comm, Utilities		Coventry Health Care Inc	Nonprofit
	Frederick Memorial Hosp	Nonprofit		DelHaize America, Inc.	Retail
	Heartland Employment Services	Other		Eagle Alliance	Other
	Honeywell Technology Solutions, Inc.	Manufacturing		First Data Merchant Services	Financial, Banking
	Lockheed Martin Operation	Manufacturing		Gannett Co Inc	Other
	Medimmune, Inc	Manufacturing		General Electric Co.	Manufacturing
	Mercy Medical Ctr, Inc.	Nonprofit		Human Genome Sciences, Inc.	Manufacturing
	Mid Atlantic Permanente M	Nonprofit		JP Foodservice Distribution	Retail
	Northrop Grumman Space	Nonprofit		Lowes Home Centers, Inc.	Retail
	Peninsula Regional Medical Center	Other		Lucent Technologies, Inc.	Manufacturing
	Perdue Farms	Nonprofit		Mantech International	Other
	Raytheon Company	Manufacturing		Maryland General Hospital	Nonprofit
	SAIC Frederick, Inc.	Other		MBNA Marketing Systems Inc	Financial, Banking
	Sears Roebuck and Co.	Retail		Merrill Lynch Pierce Fenner Smith, Inc.	Financial, Banking
	Selective HR Solutions IV	Other		Oracle Corporation	Other
	Sodexo Management Inc	Other		Provident Bank of Maryland	Financial, Banking
	St. Joseph Medical Center	Nonprofit		Shoppers Food Warehouse	Retail
	The A&P Tea Co., Inc.	Retail		Suburban Hospital, Inc.	Nonprofit
	The Baltimore Sun Co.	Other		SunTrust Bank	Financial, Banking
	Whiting Turner Contracting	Other		Titan Systems Inc	Manufacturing

150 Largest Maryland Companies by Payroll

Alphabetically in Groups by Size
2003

Rank 101-125		Rank 126-150	
Company	Industry	Company	Industry
America Online Inc.	Other	AAI Corp	Manufacturing
ARINC Incorporated	Manufacturing	Advanced Information Engi	Other
Aspen Systems Corp C-O Pe	Retail	American Radiology Service	Other
Bearingpoint Inc	Other	Anteon Corp	Other
Ciena Corp.	Manufacturing	AOH Service	Other
Citicorp Homeowners Inc	Financial, Banking	Best Buy Stores, LP	Retail
Constellation Power Source	Transp, Comm, Utilities	Bon Secours Hospital	Nonprofit
Digex Incorporated	Other	Bureau of National Affairs, Inc.	Other
Farmers and Mechanics Nat	Financial, Banking	Carroll County Gen Hosp i	Nonprofit
Mack Trucks, Inc.	Manufacturing	Citicorp Credit Services	Financial, Banking
Millennium Inorganic Chem	Manufacturing	Costco Wholesale Corp	Retail
Morgan Stanley DW Inc	Financial, Banking	CVS RX Services Inc	Retail
Nordstrom, Inc.	Retail	Ferris Baker Watts, Inc.	Financial, Banking
Northwest Hospital Center	Nonprofit	Fresh Fields Markets Inc	Retail
Noxell Corp.	Manufacturing	GE Information Services, Inc.	Manufacturing
Orbital Sciences Corp.	Manufacturing	Host International Inc Co	Other
P & O Ports of Baltimore, Inc.	Transp, Comm, Utilities	Intelsat Service Corporat	Transp, Comm, Utilities
Quest Diagnostics Inc	Other	Lockheed Martin Government Services Inc	Other
UHC Management Co Inc	Other	MeadWestvaco Maryland LLC	Manufacturing
Unisys Corp	Other	Monumental Life Insurance	Financial, Banking
United Air Lines, Inc.	Transp, Comm, Utilities	NeighborCare	Other
Veridian Information Solu	Other	Southwest Airlines Co	Transp, Comm, Utilities
Washington County Hospital	Nonprofit	Systems Research & Applic	Other
Washington Gas Light Company	Transp, Comm, Utilities	TASC Inc	Other
Yellow Book USA Inc	Other	Xerox Corporation	Manufacturing

Bureau of Revenue Estimates
March 3, 2005