



The Commonwealth of Massachusetts

Office of the Comptroller
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MARTIN J. BENISON
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October 29, 2010

Jay Gonzalez, Secretary for Administration and Finance
Commonwealth of Massachusetts
State House, Room 373
Boston, MA 02133

Representative Charles A. Murphy, Chairman
House Ways and Means Committee
State House, Room 243
Boston, MA 02133

Senator Steven C. Panagiotakos, Chairman
Senate Ways and Means Committee
State House, Room 212
Boston, MA 02133

Re: Capital Gains Tax Revenues

Dear Secretary Gonzalez, Chairman Murphy, and Chairman Panagiotakos:

Pursuant to certification received from the Commissioner of Revenue in accordance with Section 19 of Chapter 131 of the Acts of 2010, the "tax revenues estimated to have been collected during the FY2011 Period 1 (July 1, 2010 through September 30, 2010) from capital gains income was \$85 million". Therefore, no transfer will be made to the Stabilization Fund as of September 30, 2010.

Should you have any questions, please feel free to contact me.

Sincerely,

Martin J. Benison
Comptroller

cc: Michael Esmond, Budget Director
Navjeet Bal, Commissioner of Revenue
Eileen Glovsky, Deputy Treasurer
James MacDonald, Deputy Treasurer
Howard Merkowitz, Deputy Comptroller

Attachment A

Chapter 131 of the Acts of 2010

SECTION 19. Said chapter 29 is hereby further amended by inserting after section 5F the following section:-

Section 5G. The department of revenue shall report by November 30 to the state comptroller, the executive office for administration and finance and the house and senate committees on ways and means tax revenues estimated to have been collected during the preceding fiscal year from capital gains income. After each quarter, the department of revenue shall certify to the state comptroller the amount of tax revenues estimated to have been collected during the preceding quarter from capital gains income. If the department of revenue certifies that the amount of tax revenues estimated to have been collected from capital gains income exceeds \$1,000,000,000 in a fiscal year, the comptroller shall transfer quarterly any such amount that exceeds \$1,000,000,000 collected during that fiscal year to the Commonwealth Stabilization Fund established by section 2H. This transfer shall be made before the certification of the consolidated net surplus for the previous fiscal year as provided in section 5C. Five per cent of any amount transferred to the Commonwealth Stabilization Fund under this section shall then be transferred from the Commonwealth Stabilization Fund to the State Retiree Benefits Trust Fund established in section 24 of chapter 32A.