



AMY PITTER  
COMMISSIONER

*The Commonwealth of Massachusetts*  
*Department of Revenue*  
*Office of the Commissioner*  
*P.O. Box 9550*  
*Boston, MA 02114-9550*

October 19, 2011

The Honorable Brian S. Dempsey, Chair  
House Committee on Ways and Means  
State House  
Room 243  
Boston, MA 02133

The Honorable Viriato Manuel deMacedo, Representative  
House Committee on Ways and Means  
State House  
Room 124  
Boston, MA 02133

The Honorable Stephen M. Brewer, Chair  
Senate Committee on Ways and Means  
State House  
Room 212  
Boston, MA 02133

The Honorable Michael R. Knapik, Senator  
Senate Committee on Ways and Means  
State House  
Room 419  
Boston, MA 02133

Honorable Chairmen and Ranking Minority Members of the Ways and Means Committees:

Pursuant to Chapter 196 of the Acts of 2008, the Department of Revenue hereby submits its mid-month tax collection report for October 2011. The attached table shows October 2011 month-to-date and FY2012 year-to-date tax revenue collections through October 14, 2011, along with the dollar and percentage changes from the same collection period in October 2010. Also shown are the percentage growth amounts for the full month of October 2011 and for FY2012 year-to-date through the end of October 2011 that were assumed in the benchmarks corresponding to the FY2012 tax revenue estimate of \$21.010 billion, which was revised by the Executive Office for Administration and Finance on October 17, 2011.

October is a relatively small net tax collection month, as no quarterly estimated payments are due for individuals and most corporations (other than retailers, most of which are on an estimated payment schedule that lags other companies by one month) and refunds are high due to the processing of refunds for returns filed on extension. (October has been a large corporate/business refund month, and net corporate/business collections in October had been negative in the past). The October 2011 benchmark corresponding to the revised FY12 tax revenue estimate of \$21.010 billion assumes total tax collections of \$1.462 billion, an increase of \$119 million, or 8.9% actual and 3.7% baseline from October 2010.

Through October 14, 2011, month-to-date tax collections totaled \$514 million, up \$43 million, or 9.2% from the same period in October 2010, with month-to-date growth primarily the result of higher withholding collections compared to October 2010.

Month-to-date income tax collections through October 14, 2011 totaled \$416 million, up \$51 million, or 13.9% from the same period in October 2010, with the full month income tax benchmark projecting an increase of \$105 million, or 14.2% from October 2010. Month-to-date income tax withholding totaled \$407 million, up \$41 million, or 11.2% from October 2010, with the full month benchmark projecting withholding growth of \$104 million, or 14.1%. Month-to-date income tax estimated payments totaled \$13 million, down \$1 million, or 8.4% from October 2010, with the full month benchmark projecting growth of \$0.3 million, or 1.2% from October 2010. Month-to-date tax payments with returns and extensions total \$15 million, down \$1 million from the same period last year, with the full month benchmark projecting a growth of \$3 million. Month-to-date income tax refunds total \$20 million, down \$11 million from the same period last year, with the full month benchmark projecting an increase of \$2 million.


As mentioned above, October is a small corporate and business collections month. As of October 14, 2011, corporate/business tax collections total \$3 million, down \$13 million from the same period last year, with the full month benchmark projecting a growth of \$11 million. October 14<sup>th</sup> was too early in the month for corporate and business trends to be meaningful as most of the changes expected to occur later in the month.

The October 2011 sales tax benchmark assumes an increase of \$5 million, or 1.3% from October 2010 (the revenues will be reduced by \$11 million due to elimination of sales tax on alcoholic beverages, which took effect on January 1, 2011). Through October 14, 2011, month-to-date sales tax collections totaled \$54 million, up \$5 million, or 9.6% from the same period last October. However, because monthly sales tax payments are due on the 20<sup>th</sup> of October (other than those for motor vehicle sales tax, which are remitted daily), October 14<sup>th</sup> was too early in the month for sales tax trends to be meaningful.

Monthly motor fuels and rooms tax payments are due on October 20<sup>th</sup>, and there may be other differences in the due dates for certain tax payments from one fiscal year to the next (e.g., in withholding payments or the timing of refund cycles) which complicate month-to-date comparisons to the prior year. As a result of these factors, revenues received through October 14<sup>th</sup> as reported in the attached table may not be indicative of what the final results for the full month will be. Specifically, they do not necessarily represent one-half of the revenues to be received in the full month and the month-to-date growth rates compared to October 2010 could change significantly by the end of this month. Any variances from the monthly benchmark at this point in the month should not be relied on as an indicator of what total final revenues for the month will be, compared to the full month benchmarks.

If you have any questions concerning this report, please contact either me (at 626-2201) or Kazim P. Ozyurt, Acting Director of the Office of Tax Policy Analysis (at 626-2100).

Sincerely,

A handwritten signature in cursive script that reads "Amy A. Pitter".

Amy Pitter  
Commissioner

Attachment

Cc: Jay Gonzalez, Secretary of Administration and Finance  
Representative Robert A. DeLeo, House Speaker  
Senator Therese Murray, Senate President  
Representative Jay R. Kaufman, House Chair, Joint Committee on Revenue  
Senator Gale D. Candaras, Senate Chair, Joint Committee on Revenue  
Representative Bradley H. Jones, Jr., House Minority Leader  
Senator Bruce Tarr, Senate Minority Leader

## Mid-Month Tax Collection Report for October 2011 (in \$ Millions)

Tax Collections as of October 14, 2011, Compared to Same Collection Period in FY2011 and to the A&F FY2012 Tax Revenue Estimate of \$21.010 Billion

	----- Month of October -----						----- FY12 Year-to-Date -----					
	10/11 MTD Collections	10/11 MTD v. 10/10 MTD \$ Change	10/11 MTD v. 10/10 MTD % Change	10/11 Full Month Benchmark (*)	% Growth from 10/10 Assumed in Monthly Benchmark	\$ Needed to Reach 10/11 Full Month Benchmark (*)	10/11 FY12 YTD Collections	10/11 FY12 YTD \$ Change	10/11 FY12 YTD % Change	FY12 YTD Benchmark (**)(**)	% Growth from 10/10 Assumed in FY12 YTD Benchmark	\$ Needed to Reach FY12 YTD Benchmark (**)(**)
<b>Income - Total</b>	<b>416</b>	<b>51</b>	<b>13.9%</b>	<b>844</b>	<b>14.2%</b>	<b>429</b>	<b>3,192</b>	<b>259</b>	<b>8.8%</b>	<b>3,621</b>	<b>9.5%</b>	<b>429</b>
Income Withholding	407	41	11.2%	841	14.1%	434	2,699	165	6.5%	3,133	7.8%	434
Income Est. Payments (Cash)	13	(1)	(8.4%)	25	1.2%	12	460	46	11.1%	472	11.2%	12
Income Returns/Bills	15	(1)	(5.3%)	65	5.3%	50	107	16	17.0%	157	14.4%	50
Income Refunds (Cash)	20	(11)	(36.2%)	85	2.4%	66	73	(31)	(30.0%)	139	(11.6%)	66
<b>Sales &amp; Use - Total</b>	<b>54</b>	<b>5</b>	<b>9.6%</b>	<b>421</b>	<b>1.3%</b>	<b>367</b>	<b>1,329</b>	<b>6</b>	<b>0.5%</b>	<b>1,696</b>	<b>0.4%</b>	<b>367</b>
Sales - Regular	24	1	5.2%	298	0.0%	274	897	(12)	(1.3%)	1,171	(1.1%)	274
Sales - Meals	8	2	25.8%	73	3.7%	64	245	12	4.9%	309	4.2%	64
Sales - Motor Vehicles	22	2	9.3%	50	5.3%	29	187	7	3.8%	216	3.6%	29
<b>Corporate &amp; Business - Total</b>	<b>3</b>	<b>(13)</b>	<b>(80.3%)</b>	<b>60</b>	<b>22.0%</b>	<b>57</b>	<b>545</b>	<b>50</b>	<b>10.1%</b>	<b>602</b>	<b>13.9%</b>	<b>57</b>
Corporate Excise	1	(23)	(94.4%)	113	30.1%	112	444	16	3.7%	556	13.3%	112
Insurance Excise	0	(0)	(90.6%)	(0)	N/A	(0)	85	9	11.7%	84	12.0%	(0)
Financial Institutions Excise	2	11	N/A	(60)	N/A	(62)	46	39	562.0%	(16)	(39.7%)	(62)
Public Utilities Excise	(0)	(0)	N/A	7	64.9%	7	(30)	(14)	N/A	(23)	94.2%	7
<b>All Other</b>	<b>40</b>	<b>0</b>	<b>1.0%</b>	<b>137</b>	<b>(1.5%)</b>	<b>96</b>	<b>513</b>	<b>40</b>	<b>8.4%</b>	<b>610</b>	<b>6.5%</b>	<b>96</b>
<b>Total Tax Collections</b>	<b>514</b>	<b>43</b>	<b>9.2%</b>	<b>1,462</b>	<b>8.9%</b>	<b>948</b>	<b>5,579</b>	<b>355</b>	<b>6.8%</b>	<b>6,528</b>	<b>7.1%</b>	<b>948</b>

(\*) Benchmarks are based on the A&F FY12 tax revenue estimate of \$21.010 billion

(\*\*) Year-to-date benchmarks are year-to-date actuals (through September) and revised October benchmark totals.

Note: Detail may not add to total due to rounding and other technical factors.