



Michael J. Heffernan
Commissioner

The Commonwealth of Massachusetts
Department of Revenue
Office of the Commissioner
P.O. Box 9550
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April 20, 2017

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

The Honorable Todd M. Smola, Representative
House Committee on Ways and Means
State House
Room 124
Boston, MA 02133

The Honorable Karen E. Spilka, Chair
Senate Committee on Ways and Means
State House
Room 212
Boston, MA 02133

The Honorable Viriato M. deMacedo, Senator
Senate Committee on Ways and Means
State House
Room 313C
Boston, MA 02133

Honorable Chairs and Ranking Minority Members of the Committees on Ways and Means:

Pursuant to Section 6 of Chapter 14 of the General Laws¹, the Department of Revenue (DOR) hereby submits its mid-month tax revenue report for the month of April 2017. The attached table shows April 2017 month-to-date and Fiscal Year 2017 year-to-date tax revenue collections through April 14, 2017, along with changes from the same collection period in April 2016. The end date of April 14th reflects the fact that April 15th falls on a Saturday in the current year.

Context for April estimates

It would not be advisable to use this data to predict trends. At the time of the mid-month estimate, the available tax collection data is too early to provide a reliable estimate of full-month results.

April is the single largest month for collections, ranking #1 in each of the last five years. There are two main causes for April's relative strength: First, the individual tax filing season reaches its peak. Payments made with returns are concentrated in April, generating significant revenue. In contrast,

¹ <http://www.malegislature.gov/Laws/GeneralLaws/PartI/TitleII/Chapter14/Section6>

refunds are spread more evenly across February, March, and April. Second, estimated payments from individuals are due in April, the first such estimated payment for the new tax year of 2017.

Highlights

- **Total Tax** collections for the month-to-date period were \$919 million, up \$218 million or 31.0% versus the same period last year. On a fiscal year-to-date basis, Total Tax collections through April 14th were \$19.049 billion, which is \$527 million or 2.8% greater than the same period last year.
- **Income Taxes** totaled \$724 million, up \$142 million or 24.3% from the April 2016 mid-month figure. On a fiscal year-to-date basis, Income Taxes were \$10.760 billion, up \$353 million or 3.4% over the same period last year.
- **Sales & Use Tax** collections were \$82 million at mid-month, up \$12 million or 16.8% from the same period last April. For the fiscal year-to-date, Sales & Use Tax revenues were \$4.695 billion, up \$113 million or 2.5% over the same period last year.

Because Regular Sales and Meals Tax revenues are heavily weighted toward the second part of the month, the mid-month revenue figure is not predictive of the full month.

- **Corporate & Business Taxes** were \$58 million for the April month-to-date period, which is \$53 million more than the April 2016 month-to-date amount. For the fiscal year-to-date period, Corporate & Business Taxes were \$1.905 billion, which is \$71 million or 3.9% more than the same period last year.
- **Other Taxes** totaled \$56 million at April mid-month, which is \$11 million or 26.0% above the 2016 figure. Fiscal year-to-date collections through April 14th were \$1.690 billion, which is \$10 million or 0.6% less than the same period in 2016.

Detail

Total Income Tax of \$724 million for mid-month April comprises the following:

- **Withholding** of \$561 million, up \$106 million from mid-month April 2016.
- **Estimated Payments** of \$64 million, down \$4 million versus the same period last year.
- **Returns/Bills** of \$268 million, which is \$55 million more than the same period last year.
- **Refunds** of \$170 million for April 2017 month-to-date, which is \$16 million more than the same period last year, meaning greater outflows.

Sales & Use Tax collections of \$82 million for the April month-to-date period reflect \$36 million in Regular Sales, \$11 million in Meals, and \$35 million in Motor Vehicles. Only a small proportion of expected Regular Sales and Meals remittances are received by the mid-month date.

- The \$36 million in Regular Sales Tax collections is \$7 million more than the same month-to-date period in 2016.
- Meals Tax revenues of \$11 million month-to-date are \$1 million more than the April month-to-date period last year.
- Vehicle Tax revenues of \$35 million for the April month-to-date period were above the 2016 figure by \$4 million.
- For the fiscal year-to-date period, total Sales & use Tax collections of \$4.695 billion are \$113 million or 2.5% higher than the same period in 2016.

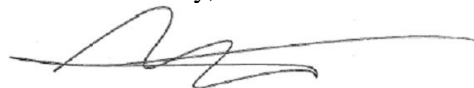
Corporate & Business revenues were \$58 million for the month-to-date period, \$53 million more than mid-month April 2016. On a fiscal year-to-date basis through April 14th, Corporate & Business collections of \$1.905 billion were \$71 million or 3.9% ahead of 2016.

All other includes a number of tax categories including motor fuels, cigarettes, estate taxes, and deeds. Revenues of \$56 million for the month-to-date period were \$11 million more than mid-month April 2016. On a fiscal year-to-date basis, this group had revenues of \$1.690 billion, below the prior year by \$10 million or 0.6%.

Because collections are weighted to the end of the month, we do not use the mid-month figures to project full-month revenue. This caution is especially well-taken in April, when tax filing season activity will peak after the close of the mid-month period. In this particular report, the figures reported in several categories for the month-to-date period should be viewed in the context of the related fiscal year-to-date results.

If you have any questions concerning this report, please contact either me (617-626-2201) or Kazim P. Ozyurt, Director of the Office of Tax Policy Analysis (617-626-2100).

Sincerely,



Michael J. Heffernan
Commissioner

Attachment

Cc: Kristen Lepore, Secretary of Administration and Finance
Representative Robert A. DeLeo, House Speaker
Senator Stanley C. Rosenberg, Senate President
Jay R. Kaufman, House Chair, Joint Committee on Revenue
Senator Michael D. Brady, Senate Chair, Joint Committee on Revenue
Representative Bradley H. Jones, Jr., House Minority Leader
Senator Bruce Tarr, Senate Minority Leader
Deborah B. Goldberg, Treasurer and Receiver General

Tax Collection Report for April 2017 (in \$ millions)
Tax Collections as of April 14, 2017, Compared to Same Collection Period in FY2016

	<u>Month of April</u>			<u>FY17 YTD</u>		
	04/2017 MTD Actual Collections	04/2017 MTD v. 04/2016 MTD \$ Fav/(Unfav)	04/2017 MTD v. 04/2016 MTD % Fav/(Unfav)	04/2017 YTD Actual Collections	04/2017 YTD v. 04/2016 YTD \$ Fav/(Unfav)	04/2017 YTD v. 04/2016 YTD % Fav/(Unfav)
Income						
Income Withholding	561	106	+23.3%	9,620	466	+5.1%
Income Est. Payments	64	(4)	-5.4%	1,709	(111)	-6.1%
Income Returns/Bills	268	55	+26.1%	668	18	+2.8%
Income Refunds Net (outflow)	(170)	(16)	-10.4%	(1,237)	(21)	-1.7%
Subtotal Income	724	142	+24.3%	10,760	353	+3.4%
Sales & Use						
Sales - Regular	36	7	+21.9%	3,221	90	+2.9%
Sales - Meals	11	1	+10.7%	839	35	+4.4%
Sales - Motor Vehicles	35	4	+13.8%	634	(12)	-1.8%
Subtotal Sales & Use	82	12	+16.8%	4,695	113	+2.5%
Corporate & Business - Total	58	53	+962.4%	1,905	71	+3.9%
All Other	56	11	+26.0%	1,690	(10)	-0.6%
Total Tax Collections	919	218	+31.0%	19,049	527	+2.8%

It would not be advisable to use this data to predict trends.

At the time of the mid-month estimate, the available tax collection data is too early to provide a reliable estimate of full-month results.