



Christopher C. Harding
Commissioner

The Commonwealth of Massachusetts
Department of Revenue
Office of the Commissioner
P.O. Box 9550
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April 18, 2019

The Honorable Aaron Michlewitz, Chair
House Committee on Ways and Means
State House
Room 243
Boston, MA 02133

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

The Honorable Michael J. Rodrigues, Chair
Senate Committee on Ways and Means
State House
Room 212
Boston, MA 02133

The Honorable Viriato M. deMacedo, Ranking Member
Senate Committee on Ways and Means
State House
Room 313-C
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 2019, the tenth month of fiscal year 2019. The attached table shows April 2019 month-to-date tax revenue collections through April 15, 2019, along with changes from the equivalent period in April 2018.

Revenue collections are uneven and weighted toward month-end, and the brief period covered in the mid-month does not provide sufficient data for comparison to prior years. Therefore, the Department urges that mid-month figures should not be used to assess trends or project future revenues.

Context for April revenues

April is the single largest month for collections, ranking #1 in each of the last eight years. There are two main causes for April's relative strength: First, the individual tax filing season reaches its peak.

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

Payments made with returns are concentrated in April, generating significant revenue. In contrast, 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 2019.

This report reflects collections through April 15. Because the income tax filing deadline for Massachusetts residents was April 17, and the receipt and processing of returns continues through May, the reported revenue figures do not represent the full impact of tax season.

Highlights

- **Total Tax** collections for the month-to-date period were \$1.124 billion, up \$10 million or 0.9% versus the same period in April 2018.
- **Income Taxes** totaled \$787 million, down \$39 million or 4.7% versus the same period in April 2018.
- **Sales & Use Tax** collections were \$88 million, up \$10 million or 12.2% versus the same period in April 2018.
- **Corporate & Business Taxes** were \$189 million, up \$38 million or 25.0% versus the same period in April 2018.
- **Other Taxes** totaled \$61 million, up \$1 million or 1.9% versus the same period in April 2018.

Detail

Total Income Tax of \$787 million for mid-month April comprises the following:

- **Withholding** of \$507 million, down \$99 million from mid-month April 2018.
- **Estimated Payments** of \$96 million, down \$20 million from mid-month April 2018.
- **Returns/Bills** of \$362 million, up \$111 million from mid-month April 2018.
- **Refunds** of \$178 million, up \$30 million from mid-month April 2018. Because refunds are an outflow, this represents a negative variance from the prior year.

Sales & Use Tax collections of \$88 million for the April month-to-date period are \$10 million or 12.2% more than the equivalent period last year. Only a small proportion of expected Regular Sales and Meals tax remittances, subcategories of Sales & Use Tax, are received by the mid-month date; the bulk of these payments are expected on or after the 20th of the month.

- \$38 million in Regular Sales Tax collections, up \$2 million from mid-month April 2018.
- \$10 million in Meals Tax revenues are virtually the same as the mid-month April 2018 figure.
- \$40 million in Motor Vehicle Sales Tax revenues, up \$7 million from mid-month April 2018.

Corporate & Business tax revenues were \$189 million, up \$38 million from mid-month April 2018.

All Other includes a number of tax categories including motor fuels, cigarettes, estate taxes, and deeds. All other revenues totaled \$61 million, which is \$1 million more than the mid-month April 2018 figure.

Because collections are weighted to the end of the month, we do not use the mid-month figures to project full-month revenue. Comparisons to prior-year periods are unreliable because of normal fluctuations and calendar differences in the short 15-day window of incremental data.

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,



Christopher C. Harding
Commissioner

Attachment

cc: Michael J. Heffernan, Secretary of Administration and Finance
Representative Robert A. DeLeo, House Speaker
Senator Karen E. Spilka, Senate President
Representative Mark J. Cusack, House Chair, Joint Committee on Revenue
Senator Adam G. Hinds, 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

Mid-Month Tax Collection Report for April 2019 (in \$ Millions)
Tax Collections as of April 15, 2019, Compared to Same Collection Period in FY2018

	April			FY19 YTD		
	(Through April 15th)			(Through April 15th)		
	04/2019 MTD Actual Collections	04/2019 MTD v. 04/2018 MTD \$ Fav/(Unfav)	04/2019 MTD v. 04/2018 MTD % Fav/(Unfav)	04/2019 YTD Actual Collections	04/2019 YTD v. 04/2018 YTD \$ Fav/(Unfav)	04/2019 YTD v. 04/2018 YTD % Fav/(Unfav)
Income						
Income Withholding	507	(99)	-16.4%	10,538	331	+3.2%
Income Est. Payments	96	(20)	-17.6%	1,701	(716)	-29.6%
Income Returns/Bills	362	111	+44.3%	906	163	+22.0%
Income Refunds Net (outflow)	(178)	(30)	-20.4%	(1,325)	31	+2.3%
Subtotal Income	787	(39)	-4.7%	11,820	(190)	-1.6%
Sales & Use						
Sales - Regular	38	2	+6.9%	3,526	175	+5.2%
Sales - Meals	10	0	+1.0%	917	44	+5.1%
Sales - Motor Vehicles	40	7	+21.2%	672	29	+4.5%
Subtotal Sales & Use	88	10	+12.2%	5,116	249	+5.1%
Corporate & Business - Total	189	38	+25.0%	2,448	551	+29.0%
All Other	61	1	+1.9%	1,927	196	+11.3%
Total Tax Collections	1,124	10	+0.9%	21,311	805	+3.9%

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.