



Geoffrey E. Snyder
Commissioner

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

April 21, 2021

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 Patrick M. O'Connor, Ranking Member
Senate Committee on Ways and Means
State House
Room 419
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 2021, the tenth month of fiscal year 2021. The attached table shows April 2021 month-to-date tax revenue collections through April 15, 2021, along with changes from the equivalent period in April 2020.

Revenue collections are uneven and usually 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 not be used to assess trends or project future revenues.

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

Context for April Revenues

Historically, April has been the single largest month for collections, ranking first of the twelve months in nine of the last ten 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, while refunds are spread more evenly across February, March, and April. Second, estimated payments from individuals are due in April, the first estimated payment installment of the 2021 tax year.

However, because of measures enacted this year and last year designed to mitigate the impact of COVID-19, historical comparisons between April 2021 results and prior years should be used with caution. Examples of such measures include, but are not limited to:

- The extension of the income tax filing and payment deadline from April 15th, 2020 to July 15th, 2020.
- The extension of the first estimated payment installment to July 15, 2020.
- Penalty waivers for certain corporate excise returns and payments due in 2020.
- The late start to the 2021 filing season.
- The extension of the income tax filing and payment deadline from April 15th, 2021 to May 17th, 2021.
- The extension of the payment deadline for certain regular sales tax, meals tax and room occupancy excise payments to May 20, 2021

Highlights

Total Tax collections for the month-to-date period were \$1.757 billion, up \$877 million or 99.7% versus the same period in April 2020. The month-to-date increase is mostly due to increases in withholding, income tax estimated payments, income returns payments, sales tax on motor vehicles, and corporate and business return payments partly offset by an increase in income tax refunds.

- **Income Taxes** totaled \$1.143 billion, up \$559 million or 95.7% versus the same period in April 2020.
- **Sales & Use Taxes** were \$130 million, up \$63 million or 95.4% versus the same period in April 2020.
- **Corporate & Business Taxes** were \$416 million, up \$253 million or 155.0% versus the same period in April 2020.
- **Other Taxes** totaled \$69 million, up \$2 million or 3.7% versus the same period in April 2020.

Detail

Total Income Tax of \$1.143 billion for mid-month April is comprised of the following:

- **Withholding** of \$593 million, up \$72 million from mid-month April 2020.
- **Estimated Payments** of \$235 million, up \$194 million from mid-month April 2020.
- **Returns/Bills** of \$455 million, up \$335 million from mid-month April 2020.

- **Refunds** of \$140 million, up \$43 million from mid-month April 2020.
- **Sales & Use Tax** collections of \$130 million for the April month-to-date period are \$63 million more than the same period in April 2020. Typically, only a small proportion of expected regular sales and meals tax remittances are received by the mid-month date. The \$130 million in month-to-date sales and use tax collections is comprised of the following:
 - \$65 million in regular sales tax collections, up \$17 million from mid-month April 2020.
 - \$13 million in meals tax revenues, up \$7 million from mid-month April 2020.
 - \$51 million in motor vehicle sales tax revenues, up \$40 million from mid-month April 2020.

Corporate & Business tax revenues were \$416 million, up \$253 million from mid-month April 2020. The month-to-date increase reflects mostly increase in return payments and estimated payments.

Other Taxes includes a number of tax categories such as motor fuels, cigarettes, estate taxes, room occupancy and deeds. All other tax revenues totaled \$69 million, which is \$2 million more than mid-month April 2020.

Collections are usually weighted to the end of the month; therefore, 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 (snyderge@dor.state.ma.us) or Kazim P. Ozyurt, Director of the Office of Tax Policy Analysis (ozyurtk@dor.state.ma.us).

Sincerely,



Geoffrey E. Snyder
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Attachment

cc: Michael J. Heffernan, Secretary of Administration and Finance
Representative Ronald Mariano, 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



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Mid-Month Tax Collection Report for April 2021 (in \$ Millions)
 Tax Collections as of April 15, 2021, Compared to Same Collection Period in FY2020

	April (Through April 15 th)			FY21 YTD (Through April 15 th)		
	04/2021 MTD Actual Collections	04/2021 MTD v. 04/2020 MTD \$ Fav/(Unfav)	04/2021 MTD v. 04/2020 MTD % Fav/(Unfav)	04/2021 YTD Actual Collections	04/2021 YTD v. 04/2020 YTD \$ Fav/(Unfav)	04/2021 YTD v. 04/2020 YTD % Fav/(Unfav)
Income						
Income Withholding	593	72	+13.9%	11,708	720	+6.6%
Income Est. Payments	235	194	+482.5%	2,015	315	+18.5%
Income Returns/Bills	455	335	+280.0%	1,089	413	+61.0%
Income Refunds Net (outflow)	(140)	(43)	-44.6%	(1,112)	183	+14.1%
Subtotal Income	1,143	559	+95.7%	13,701	1,630	+13.5%
Sales & Use						
Sales - Regular	65	17	+34.0%	4,113	323	+8.5%
Sales - Meals	13	7	+112.5%	664	(271)	-29.0%
Sales - Motor Vehicles	51	40	+348.8%	775	112	+16.8%
Subtotal Sales & Use	130	63	+95.4%	5,553	164	+3.0%
Corporate & Business - Total	416	253	+155.0%	3,118	730	+30.6%
All Other	69	2	+3.7%	1,975	(123)	-5.9%
Total Tax Collections	1,757	877	+99.7%	24,346	2,402	+10.9%

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.