



Geoffrey E. Snyder
Commissioner

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

August 18, 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 August 2021, the second month of fiscal year 2022. The attached table shows August 2021 month-to-date tax revenue collections through August 13, 2021, along with changes from the equivalent period in August 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 August Revenues

August is one of the smaller months for revenue collections because neither individual nor business taxpayers make significant estimated payments during the month. Historically, roughly 6.7% of annual revenue, on average, has been received during August.

Highlights

Total Tax collections for the month-to-date period were \$975 million, up \$163 million or 20.1% versus the same period in August 2020. The month-to-date increase is mostly due to an increase in withholding. The increase in withholding is primarily the result of typical periodic fluctuations in revenue collections.

- **Income Taxes**, which includes withholding, totaled \$780 million, up \$157 million or 25.1% versus the same period in August 2020.
- **Sales & Use Taxes** were \$118 million, up \$21 million or 22.0% versus the same period in August 2020.
- **Corporate & Business Taxes** were a net outflow of \$0.4 million, resulting in a \$13 million decrease in collections versus the same period in August 2020.
- **Other Taxes** totaled \$77 million, down \$1 million or 1.6% versus the same period in August 2020.

Detail

Total Income Tax of \$780 million for mid-month August is comprised of the following:

- **Withholding** of \$755 million, up \$143 million from mid-month August 2020.
- **Estimated Payments** of \$15 million, up \$2 million from mid-month August 2020.
- **Returns/Bills** of \$20 million, down \$4 million from mid-month August 2020.
- **Refunds** of \$10 million, down \$15 million from mid-month August 2020.
- **Sales & Use Tax** collections of \$118 million for the August month-to-date period are \$21 million more than the same period in August 2020. Typically, only a small proportion of expected regular sales and meals tax remittances are received by the mid-month date. The \$118 million in month-to-date sales and use tax collections is comprised of the following:
 - \$59 million in regular sales tax collections, up \$15 million from mid-month August 2020.
 - \$18 million in meals tax revenues, up \$6 million from mid-month August 2020.
 - \$41 million in motor vehicle sales tax revenues, virtually the same as in mid-month August 2020.

Corporate & Business tax revenues were a net outflow of \$0.4 million, resulting in a \$13 million decrease in collections from mid-month August 2020.

Other Taxes includes a number of tax categories such as motor fuels, cigarettes, estate taxes, room occupancy, deeds, and others. All other tax revenues totaled \$77 million, which is \$1 million less than mid-month August 2020.

Collections are usually weighted to the end of the month; therefore, the Department does 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 Analysis (ozyurtk@dor.state.ma.us).

Sincerely,

A handwritten signature in dark ink, appearing to read 'G. Snyder', with a stylized flourish at the end.

Geoffrey E. Snyder
Commissioner

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



Geoffrey E. Snyder
Commissioner

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

Mid-Month Tax Collection Report for August 2021 (in \$ Millions)

Tax Collections as of August 13, 2021, Compared to Same Collection Period in FY2021

	August (Through August 13th)			FY22 YTD (Through August 13th)		
	08/2021 MTD Actual Collections	08/2021 MTD v. 08/2020 MTD \$ Fav/(Unfav)	08/2021 MTD v. 08/2020 MTD % Fav/(Unfav)	08/2021 YTD Actual Collections	08/2021 YTD v. 08/2020 YTD \$ Fav/(Unfav)	08/2021 YTD v. 08/2020 YTD % Fav/(Unfav)
Income						
Income Withholding	755	143	+23.3%	1,850	108	+6.2%
Income Est. Payments	15	2	+19.1%	57	44	+332.3%
Income Returns/Bills	20	(4)	-15.2%	66	27	+70.8%
Income Refunds Net (outflow)	(10)	15	+60.3%	(30)	2	+6.9%
Subtotal Income	780	157	+25.1%	1,944	182	+10.3%
Sales & Use						
Sales - Regular	59	15	+35.5%	601	85	+16.4%
Sales - Meals	18	6	+45.9%	125	48	+62.5%
Sales - Motor Vehicles	41	0	+0.6%	120	2	+1.3%
Subtotal Sales & Use	118	21	+22.0%	846	134	+18.9%
Corporate & Business - Total	(0.4)	(13)	-103.0%	152	(65)	-30.0%
All Other	77	(1)	-1.6%	285	22	+8.5%
Total Tax Collections	975	163	+20.1%	3,227	274	+9.3%

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