



GEOFFREY E. SNYDER
COMMISSIONER

The Commonwealth of Massachusetts
Department of Revenue
Office of the Commissioner
PO Box 7091
Boston, MA 02204-7091

August 18, 2023

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 2023, the second month of fiscal year 2024. The attached table shows August 2023 month-to-date tax revenue collections through August 15, 2023, along with changes from the equivalent period in August 2022.

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

Revenue collections are uneven and usually weighted toward month-end. Therefore, mid-month figures should not be used to assess trends or project future revenues.

Context for July Revenues

August is typically 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 \$871 million, \$287 million or 24.8% less than the collections during the same period in August 2022. August results show decreases in all major tax types. The decreases are due, in part, to typical periodic fluctuations in collections.

- **Income Taxes** totaled \$637 million, down \$206 million or 24.5% versus the same period in August 2022.
- **Sales & Use Taxes** totaled \$140 million, down \$25 million or 15.3% versus the same period in August 2022.
- **Corporate & Business Taxes** totaled \$26 million, down \$36 million or 57.6% versus the same period in August 2022.
- **Other Taxes** totaled \$67 million, down \$20 million or 22.7% versus the same period in August 2022.

Details

Total Income Tax of \$637 million for mid-month August is comprised of the following:

- **Withholding** of \$616 million, down \$184 million versus the same period in August 2022.
- **Estimated Payments** of \$15 million, down \$5 million versus the same period in August 2022.
- **Returns/Bills** of \$30 million, down \$17 million versus the same period in August 2022.
- **Refunds** of \$23 million, up \$1 million versus the same period in August 2022.

Sales & Use Tax of \$140 million is down \$25 million versus the same period in August 2022. Typically, only a small proportion of expected regular sales and meals tax remittances are received by the mid-month date. The month-to-date sales and use tax of \$140 million is comprised of the following:

- **Regular sales** tax of \$56 million, down \$20 million versus the same period in August 2022.
- **Meals** tax of \$33 million, down \$9 million versus the same period in August 2022.

- **Motor vehicle** sales tax of \$51 million, up \$3 million versus the same period in August 2022.

Corporate & Business Tax of \$26 million is down \$36 million versus the same period in August 2022.

Other Taxes of \$67 million, down \$20 million versus the same period in August 2022, includes a number of tax categories such as motor fuels, cigarette, estate tax, room occupancy, and deeds.

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,



Geoffrey E. Snyder
Commissioner

Attachment: 1

cc: Deborah B. Goldberg, Treasurer and Receiver General
Matthew Gorzkowicz, Secretary of Administration and Finance
Senator Karen E. Spilka, Senate President
Representative Ronald Mariano, House Speaker
Senator Bruce E. Tarr, Senate Minority Leader
Representative Bradley H. Jones, Jr., House Minority Leader
Senator Susan L. Moran, Senate Chair, Joint Committee on Revenue
Representative Mark J. Cusack, House Chair, Joint Committee on Revenue

Tax Collections as of August 15, 2023, Compared to Same Collection Period in FY2023

	August (Through August 15th) (\$Millions)			FY24 YTD (Through August 15th) (\$Millions)		
	08/2023 MTD Actual Collections	08/2023 MTD v. 08/2022 MTD \$ Fav/(Unfav)	08/2023 MTD v. 08/2022 MTD % Fav/(Unfav)	08/2023 YTD Actual Collections	08/2023 YTD v. 08/2022 YTD \$ Fav/(Unfav)	08/2023 YTD v. 08/2022 YTD % Fav/(Unfav)
Income						
Income Withholding	616	(184)	-23.0%	2,010	(12)	-0.6%
Income Est. Payments	15	(5)	-25.8%	55	(18)	-24.7%
Income Returns/Bills	30	(17)	-36.3%	115	11	+10.3%
Income Refunds Net (outflow)	(23)	(1)	-3.1%	(49)	(8)	-20.6%
Subtotal Income	637	(206)	-24.5%	2,131	(27)	-1.3%
Sales & Use						
Sales - Regular	56	(20)	-25.8%	640	(1)	-0.1%
Sales - Meals	33	(9)	-20.6%	165	8	+5.2%
Sales - Motor Vehicles	51	3	+6.4%	130	7	+5.7%
Subtotal Sales & Use	140	(25)	-15.3%	935	14	+1.6%
Corporate & Business - Total	26	(36)	-57.6%	155	(12)	-7.0%
All Other	67	(20)	-22.7%	319	0.2	+0.05%
Total Tax Collections	871	(287)	-24.8%	3,540	(25)	-0.7%

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.