



Christopher C. Harding
Commissioner

The Commonwealth of Massachusetts
Department of Revenue
Office of the Commissioner
P.O. Box 9550
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December 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 Donald F. Humason, Jr., Ranking Member
Senate Committee on Ways and Means
State House
Room 313-A
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 December 2019, the sixth month of fiscal year 2020. The attached table shows December 2019 month-to-date tax revenue collections through December 13, 2019, along with changes from the equivalent period in December 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.**

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

Context for December revenues

In recent years, December has contributed 9.5% of total annual collections on average, ranking number five among the twelve months of the year for share of collections. Estimated Payments for Corporate & Business Taxes are due in the month. Income Estimated Payments also begin to come in December.

Highlights

- **Total Tax** collections for the month-to-date period were \$927 million, down \$42 million or 4.4% versus the same period in December 2018.
- **Income Taxes** totaled \$580 million, down \$61 million or 9.5% versus the same period in December 2018.
- **Sales & Use Tax** collections were \$84 million, up \$4 million or 4.5% versus the same period in December 2018.
- **Corporate & Business Taxes** were \$203 million, up \$28 million or 16.1% versus the same period in December 2018.
- **Other Taxes** totaled \$60 million, down \$13 million or 18.0% versus the same period in December 2018.

Detail

Total Income Tax of \$580 million for mid-month December comprises the following:

- **Withholding** of \$531 million, down \$86 million from mid-month December 2018.
- **Estimated Payments** of \$37 million, up \$5 million from mid-month December 2018.
- **Returns/Bills** of \$16 million, showing no change from mid-month December 2018.
- **Refunds** of \$4 million, down \$20 million from mid-month December 2018.
Because refunds are an outflow, this represents a positive variance from the prior year.

Sales & Use Tax collections of \$84 million for the December month-to-date period are \$4 million or 4.5% 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.

- \$35 million in Regular Sales Tax collections, up \$1 million from mid-month December 2018.
- \$12 million in Meals Tax revenues, showing no change from mid-month December 2018.
- \$36 million in Motor Vehicle Sales Tax revenues, up \$3 million from mid-month December 2018.

Corporate & Business tax revenues were \$203 million, up \$28 million from mid-month December 2018.

All Other includes a number of tax categories including motor fuels, cigarettes, estate taxes, and deeds. All other revenues totaled \$60 million, which is \$13 million less than the mid-month December 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 December 2019 (in \$ Millions)

Tax Collections as of December 13, 2019, Compared to Same Collection Period in FY2019

	December (Through December 13 th)			FY20 YTD (Through December 13 th)		
	12/2019 MTD Actual Collections	12/2019 MTD v. 12/2018 MTD \$ Fav/(Unfav)	12/2019 MTD v. 12/2018 MTD % Fav/(Unfav)	12/2019 YTD Actual Collections	12/2019 YTD v. 12/2018 YTD \$ Fav/(Unfav)	12/2019 YTD v. 12/2018 YTD % Fav/(Unfav)
Income						
Income Withholding	531	(86)	-13.9%	5,933	200	+3.5%
Income Est. Payments	37	5	+15.2%	820	39	+4.9%
Income Returns/Bills	16	0	+1.0%	331	16	+5.1%
Income Refunds Net (outflow)	(4)	20	+82.7%	(255)	25	+8.9%
Subtotal Income	580	(61)	-9.5%	6,829	279	+4.3%
Sales & Use						
Sales - Regular	35	1	+1.7%	2,086	119	+6.1%
Sales - Meals	12	0	+0.9%	578	22	+3.9%
Sales - Motor Vehicles	36	3	+8.7%	409	8	+2.1%
Subtotal Sales & Use	84	4	+4.5%	3,073	149	+5.1%
Corporate & Business - Total	203	28	+16.1%	1,074	39	+3.7%
All Other	60	(13)	-18.0%	1,273	68	+5.6%
Total Tax Collections	927	(42)	-4.4%	12,248	535	+4.6%

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.