



Geoffrey E. Snyder
Commissioner

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

December 20, 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 December 2021, the sixth month of fiscal year 2022. The attached table shows December 2021 month-to-date tax revenue collections through December 15, 2021, along with changes from the equivalent period in December 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 December Revenues

December is a significant month for revenues because many corporate and business taxpayers are required to make quarterly estimated payments. In addition, some quarterly income estimated payments due by January 15th may be received in December. Historically, roughly 9.5% of annual revenue, on average, has been received during December.

Highlights

Total Tax collections for the month-to-date period were \$1.411 million, up \$73 million or 5.5% versus the same period in December 2020. The month-to-date increase is mostly due to increases in withholding and sales & use tax, partially offset by a decrease in corporate and business taxes.

- **Income Taxes**, which include withholding, totaled \$804 million, up \$102 million or 14.5% versus the same period in December 2020.
- **Sales & Use Taxes** were \$131 million, up \$58 million or 78.5% versus the same period in December 2020.
- **Corporate & Business Taxes** were \$424 million, down \$73 million or 14.7% versus the same period in December 2020.
- **Other Taxes** totaled \$51 million, down \$13 million or 20.8% versus the same period in December 2020.

Detail

Total Income Tax of \$804 million for December month-to-date period is comprised of the following:

- **Withholding** of \$745 million, up \$109 million versus the same period in December 2020.
- **Estimated Payments** of \$61 million, up \$9 million versus the same period in December 2020.
- **Returns/Bills** of \$27 million, up \$5 million versus the same period in December 2020.
- **Refunds** of \$28 million, up \$21 million (unfavorable) versus the same period in December 2020.

Sales & Use Tax collections of \$131 million for the December month-to-date period are \$58 million more than the same period in December 2020. Typically, only a small proportion of expected regular sales and meals tax remittances are received by the mid-month date. The \$131 million in month-to-date sales and use tax is comprised of the following:

- \$64 million in regular sales tax, up \$36 million versus the same period in December 2020.
- \$18 million in meals tax, up \$8 million versus the same period in December 2020.

- \$49 million in motor vehicle sales tax, up \$14 million versus the same period in December 2020.

Corporate & Business taxes were \$424 million, down \$73 million from the same period in December 2020.

Other Taxes includes a number of tax categories such as motor fuels, cigarettes, estate, room occupancy, and deeds. All other tax revenues totaled \$51 million, which is \$13 million less than the same period in December 2020.

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

If you have any questions concerning this report, please contact Kazim P. Ozyurt, Director of the Office of Tax 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 November 2021 (in \$ Millions)

Tax Collections as of December 15, 2021, Compared to Same Collection Period in FY2021

	December (Through December 15th) (\$Millions)			FY22 YTD (Through December 15th) (\$Million)		
	12/2021 MTD Actual Collections	12/2021 MTD v. 12/2020 MTD \$ Fav/(Unfav)	12/2021 MTD v. 12/2020 MTD % Fav/(Unfav)	12/2021 YTD Actual Collections	12/2021 YTD v. 12/2020 YTD \$ Fav/(Unfav)	12/2021 YTD v. 12/2020 YTD % Fav/(Unfav)
Income						
Income Withholding	745	109	+17.1%	6,884	597	+9.5%
Income Est. Payments	61	9	+17.1%	1,067	320	+42.9%
Income Returns/Bills	27	5	+23.9%	471	131	+38.7%
Income Refunds Net (outflow)	(28)	(21)	-298.5%	(295)	(69)	-30.4%
Subtotal Income	804	102	+14.5%	8,127	980	+13.7%
Sales & Use						
Sales - Regular	64	36	+127.5%	2,630	374	+16.6%
Sales - Meals	18	8	+77.1%	611	211	+52.8%
Sales - Motor Vehicles	49	14	+39.5%	494	49	+11.1%
Subtotal Sales & Use	131	58	+78.5%	3,735	635	+20.5%
Corporate & Business - Total	424	(73)	-14.7%	1,797	314	+21.1%
All Other	51	(13)	-20.8%	1,363	290	+27.0%
Total Tax Collections	1,411	73	+5.5%	15,022	2,218	+17.3%

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.