



GEOFFREY E. SNYDER
COMMISSIONER

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

December 20, 2022

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 2022, the sixth month of fiscal year 2023. The attached table shows December 2022 month-to-date tax revenue collections through December 15, 2022, along with changes from the equivalent period in December 2021.

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

Revenue collections are uneven and usually weighted toward month-end. The brief period covered in the mid-month report does not provide sufficient data for comparison to prior years. Therefore, mid-month figures should not be used to assess trends or project future revenues.

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 \$1.664 billion, up \$209 million or 14.4% versus the same period in December 2021. The month-to-date increase is mostly due to increases in corporate and business tax, income estimated and return payments, and sales tax, partially offset by a decrease in other taxes.

- **Income Taxes** totaled \$925 million, up \$119 million or 14.7% versus the same period in December 2021.
- **Sales & Use Taxes** totaled \$146 million, up \$15 million or 11.5% versus the same period in December 2021.
- **Corporate & Business Taxes** totaled \$520 million, up \$90 million or 21.0% versus the same period in December 2021.
- **Other Taxes** totaled \$74 million, down \$15 million or 16.6% versus the same period in December 2021.

Details

Total Income Tax of \$925 million for mid-month December is comprised of the following:

- **Withholding** of \$744 million, down \$1 million versus the same period in December 2021.
- **Estimated Payments** of \$133 million, up \$71 million versus the same period in December 2021.
- **Returns/Bills** of \$63 million, up \$36 million versus the same period in December 2021.
- **Refunds** of \$15 million, down \$12 million (favorable) versus the same period in December 2021.

Sales & Use Tax of \$146 million, up \$15 million versus the same period in December 2021. Typically, only a small proportion of expected regular sales and meals tax remittances is received by the mid-month date. The month-to-date sales and use tax of \$146 million is comprised of the following:

- **Regular sales tax** of \$69 million, up \$8 million versus the same period in December 2021.

- **Meals** tax of \$26 million, up \$5 million versus the same period in December 2021.
- **Motor vehicle** sales tax of \$51 million, up \$2 million versus the same period in December 2021.

Corporate & Business Tax of \$520 million, up \$90 million versus the same period in December 2021. The month-to-date increase is mostly due to an increase in corporate and business estimated payments, partially offset by an unfavorable increase in refunds and a decrease in corporate return payments.

Other Taxes of \$74 million, down \$15 million versus the same period in December 2021, includes a number of other 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: 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 Brendan P. Crighton, Senate Vice-Chair, Joint Committee on Revenue
Representative Bradley H. Jones, Jr., House Minority Leader
Senator Bruce E. Tarr, Senate Minority Leader
Deborah B. Goldberg, Treasurer and Receiver General

Mid-Month Tax Collection Report for December 2022 (in \$ Millions)

Tax Collections as of December 15, 2022, Compared to Same Collection Period in FY2022

	December (Through December 15th) (\$ Millions)			FY2023 YTD (Through December 15th) (\$ Millions)		
	12/2022 MTD Actual Collections	12/2022 MTD v. 12/2021 MTD \$ Fav/(Unfav)	12/2022 MTD v. 12/2021 MTD % Fav/(Unfav)	12/2022 YTD Actual Collections	12/2022 YTD v. 12/2021 YTD \$ Fav/(Unfav)	12/2022 YTD v. 12/2021 YTD % Fav/(Unfav)
Income						
Income Withholding	744	(1)	-0.1%	7,176	291	+4.2%
Income Est. Payments	133	71	+115.0%	1,249	180	+16.9%
Income Returns/Bills	63	36	+135.5%	759	288	+61.1%
Income Refunds Net (outflow)	(15)	12	+45.1%	(809)	(515)	-174.9%
Subtotal Income	925	119	+14.7%	8,374	245	+3.0%
Sales & Use						
Sales - Regular	69	8	+13.5%	2,859	234	+8.9%
Sales - Meals	26	5	+23.9%	682	68	+11.1%
Sales - Motor Vehicles	51	2	+3.6%	534	40	+8.2%
Subtotal Sales & Use	146	15	+11.5%	4,076	342	+9.2%
Corporate & Business - Total	520	90	+21.0%	1,826	22	+1.2%
All Other	74	(15)	-16.6%	1,335	(63)	-4.5%
Total Tax Collections	1,664	209	+14.4%	15,611	546	+3.6%

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.