



Kevin W. Brown,  
Acting Commissioner

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

February 20, 2020

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

Honorable Chairs and Ranking Minority Members of the Committees on Ways and Means:

Pursuant to Section 6 of Chapter 14 of the General Laws<sup>1</sup>, the Department of Revenue (DOR) hereby submits its mid-month tax revenue report for the month of February 2020, the eighth month of fiscal year 2020. The attached table shows February 2020 month-to-date tax revenue collections through February 14, 2020, along with changes from the equivalent period in February 2019.

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.**

### **Context for February revenues**

February has historically been the smallest net tax collection month of the fiscal year, contributing less than 6% of annual collections. There are no estimated payments due and sales

---

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

tax collections are relatively low in the post-holiday period. February is also the month in which refunds begin to accumulate as the tax filing season begins.

## Highlights

---

- **Total Tax** collections for the month-to-date period were \$559 million, up \$90 million or 19.1% versus the same period in February 2019.
- **Income Taxes** totaled \$382 million, up \$80 million or 26.4% versus the same period in February 2019.
- **Sales & Use Tax** collections were \$84 million, up \$10 million or 14.2% versus the same period in February 2019.
- **Corporate & Business Taxes** were \$18 million, up \$14 million versus the same period in February 2019.
- **Other Taxes** totaled \$75 million, down \$15 million or 16.3% versus the same period in February 2019.

## Detail

---

**Total Income Tax** of \$382 million for mid-month February comprises the following:

- **Withholding** of \$642 million, up \$102 million from mid-month February 2019.
- **Estimated Payments** of \$10 million, down \$1 million from mid-month February 2019.
- **Returns/Bills** of \$20 million, up \$1 million from mid-month February 2019.
- **Refunds** of \$290 million, up \$23 million from mid-month February 2019. Because refunds are an outflow, this represents a negative variance from the prior year.

**Sales & Use Tax** collections of \$84 million for the February month-to-date period are \$10 million or 14.2% 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 20<sup>th</sup> of the month.

- \$46 million in Regular Sales Tax collections, up \$11 million from mid-month February 2019.
- \$12 million in Meals Tax revenues, up \$3 million from mid-month February 2019.
- \$26 million in Motor Vehicle Sales Tax revenues, down \$3 million from mid-month February 2019.

**Corporate & Business** tax revenues were \$18 million, up \$14 million from mid-month February 2019.

**All Other** includes a number of tax categories including motor fuels, cigarettes, estate taxes, and deeds. All other revenues totaled \$75 million, which is \$15 million less than the mid-month February 2019. Some of the decrease in all other is timing related and may improve in the remainder of the month.

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,



Kevin W. Brown  
Acting 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 February 2020 (in \$ Millions)**  
**Tax Collections as of February 14, 2020, Compared to Same Collection Period in FY2019**

	<b>February</b>			<b>FY20 YTD</b>		
	<b>(Through February 14<sup>th</sup>)</b>			<b>(Through February 14<sup>th</sup>)</b>		
	02/2020 MTD Actual Collections	02/2020 MTD v. 02/2019 MTD \$ Fav/(Unfav)	02/2020 MTD v. 02/2019 MTD % Fav/(Unfav)	02/2020 YTD Actual Collections	02/2020 YTD v. 02/2019 YTD \$ Fav/(Unfav)	02/2020 YTD v. 02/2019 YTD % Fav/(Unfav)
<b>Income</b>						
Income Withholding	642	102	+19.0%	8,568	450	+5.5%
Income Est. Payments	10	(1)	-7.7%	1,635	59	+3.7%
Income Returns/Bills	20	1	+4.4%	419	22	+5.6%
Income Refunds Net (outflow)	(290)	(23)	-8.5%	(560)	2	+0.3%
<b>Subtotal Income</b>	<b>382</b>	<b>80</b>	<b>+26.4%</b>	<b>10,062</b>	<b>532</b>	<b>+5.6%</b>
<b>Sales &amp; Use</b>						
Sales - Regular	46	11	+30.6%	3,022	191	+6.8%
Sales - Meals	12	3	+29.4%	782	34	+4.6%
Sales - Motor Vehicles	26	(3)	-10.4%	538	2	+0.4%
<b>Subtotal Sales &amp; Use</b>	<b>84</b>	<b>10</b>	<b>+14.2%</b>	<b>4,342</b>	<b>228</b>	<b>+5.5%</b>
<b>Corporate &amp; Business - Total</b>	<b>18</b>	<b>14</b>	<b>+371.7%</b>	<b>1,344</b>	<b>21</b>	<b>+1.6%</b>
<b>All Other</b>	<b>75</b>	<b>(15)</b>	<b>-16.3%</b>	<b>1,703</b>	<b>104</b>	<b>+6.5%</b>
<b>Total Tax Collections</b>	<b>559</b>	<b>90</b>	<b>+19.1%</b>	<b>17,452</b>	<b>884</b>	<b>+5.3%</b>

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.