



Geoffrey E. Snyder  
Commissioner

*The Commonwealth of Massachusetts*  
*Department of Revenue*  
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February 18, 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 Laws<sup>1</sup>, the Department of Revenue (the Department) hereby submits its mid-month tax revenue report for the month of February 2022, the eighth month of fiscal year 2022. The attached table shows February 2022 month-to-date tax revenue collections through February 15, 2022, along with changes from the equivalent period in February 2021.

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.

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

## Context for February Revenues

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February has historically been the lowest month for revenue, contributing less than 6% of annual collections. Neither individual nor business taxpayers are required to make estimated payments during the month. February is also the month in which refunds reach substantial levels as the tax filing season begins.

## Highlights

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**Total tax collections for the month-to-date period were \$886 million, down \$142 million or 13.8%** versus the same period in February 2021. The month-to-date decrease is mostly due to decreases in withholding and regular sales tax as well as an increase in income tax refunds, partially offset by an increase in corporate and business taxes.

- **Income Taxes**, which include withholding, totaled \$683 million, down \$143 million or 17.3% versus the same period in February 2021.
- **Sales & Use Taxes** were \$106 million, down \$4 million or 3.8% versus the same period in February 2021.
- **Corporate & Business Taxes** were \$39 million, up \$8 million or 24.8% versus the same period in February 2021.
- **Other Taxes** totaled \$57 million, down \$3 million or 4.2% versus the same period in February 2021.

## Detail

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**Total Income Tax** of \$683 million for the February month-to-date period is comprised of the following:

- **Withholding** of \$677 million, down \$115 million versus the same period in February 2021. The decline in withholding was expected and is primarily due to the timing of the receipt of certain quarterly withholding payments: in 2022 certain quarterly withholding payments were received in January, but in 2021 these quarterly payments were received in February.
- **Estimated Payments** of \$22 million, up \$4 million versus the same period in February 2021.
- **Returns/Bills** of \$27 million, up \$5 million versus the same period in February 2021.
- **Refunds** of \$43 million, up \$38 million (unfavorable) versus the same period in February 2021. The increase in refunds is likely due to the tax filing season starting earlier this year than last year.

**Sales & Use Tax** collections of \$106 million for the February month-to-date period are \$4 million less than the same period in February 2021. Typically, only a small proportion of expected regular sales and meals tax remittances are received by the mid-month date. The \$106 million in month-to-date sales and use tax is comprised of the following:

- \$49 million in regular sales tax, down \$15 million versus the same period in February 2021.
- \$17 million in meals tax, up \$7 million versus the same period in February 2021.
- \$41 million in motor vehicle sales tax, up \$4 million versus the same period in February 2021.

**Corporate & Business Taxes** were \$39 million, up \$8 million from the same period in February 2021.

**Other Taxes** includes a number of tax categories such as motor fuels, cigarettes, estate, room occupancy, and deeds. All other tax revenues totaled \$57 million, which is \$3 million less than the same period in February 2021. The decrease is primarily attributable to deeds excise.

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](mailto:ozyurtk@dor.state.ma.us)).

Sincerely,



Geoffrey E. Snyder  
Commissioner

#### 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

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

Tax Collections as of February 15, 2022, Compared to Same Collection Period in FY2021

	<b>February</b> <b>(Through February 15th)</b> <b>(\$Millions)</b>			<b>FY22 YTD</b> <b>(Through February 15th)</b> <b>(\$Million)</b>		
	02/2022 MTD Actual Collections	02/2022 MTD v. 02/2021 MTD \$ Fav/(Unfav)	02/2022 MTD v. 02/2021 MTD % Fav/(Unfav)	02/2022 YTD Actual Collections	02/2022 YTD v. 02/2021 YTD \$ Fav/(Unfav)	02/2022 YTD v. 02/2021 YTD % Fav/(Unfav)
<b>Income</b>						
Income Withholding	677	(115)	-14.5%	9,957	847	+9.3%
Income Est. Payments	22	4	+25.0%	3,138	1,385	+79.0%
Income Returns/Bills	27	5	+25.0%	764	318	+71.2%
Income Refunds Net (outflow)	(43)	(38)	-897.8%	(356)	(110)	-44.8%
<b>Subtotal Income</b>	<b>683</b>	<b>(143)</b>	<b>-17.3%</b>	<b>13,502</b>	<b>2,439</b>	<b>+22.1%</b>
<b>Sales &amp; Use</b>						
Sales - Regular	49	(15)	-23.2%	3,800	520	+15.8%
Sales - Meals	17	7	+65.8%	816	286	+54.1%
Sales - Motor Vehicles	41	4	+10.2%	654	56	+9.4%
<b>Subtotal Sales &amp; Use</b>	<b>106</b>	<b>(4)</b>	<b>-3.8%</b>	<b>5,270</b>	<b>862</b>	<b>+19.6%</b>
<b>Corporate &amp; Business - Total</b>	<b>39</b>	<b>8</b>	<b>+24.8%</b>	<b>2,149</b>	<b>478</b>	<b>+28.6%</b>
<b>All Other</b>	<b>57</b>	<b>(3)</b>	<b>-4.2%</b>	<b>1,828</b>	<b>288</b>	<b>+18.7%</b>
<b>Total Tax Collections</b>	<b>886</b>	<b>(142)</b>	<b>-13.8%</b>	<b>22,749</b>	<b>4,068</b>	<b>+21.8%</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.