



GEOFFREY E. SNYDER
COMMISSIONER

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

February 21, 2023

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

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 February Revenues

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

Total Tax collections for the month-to-date period were \$956 million, \$57.0 million or 6.3% more than the collections during the same period in February 2022. The month-to-date increases in income tax withholding and sales tax were offset by decreases in non-withholding income tax.

- **Income Taxes** totaled \$722 million, up \$35 million or 5.2% versus the same period in February 2022.
- **Sales & Use Taxes** totaled \$124 million, up \$17 million or 15.9% versus the same period in February 2022.
- **Corporate & Business Taxes** totaled \$42 million, up \$3 million or 8.1% versus the same period in February 2022.
- **Other Taxes** totaled \$69 million, up \$1 million or 1.9% versus the same period in February 2022.

Details

Total Income Tax of \$722 million for mid-month February is comprised of the following:

- **Withholding** of \$729 million, up \$52 million versus the same period in February 2022.
- **Estimated Payments** of \$20 million, down \$5 million versus the same period in February 2022.
- **Returns/Bills** of \$34 million, up \$7 million versus the same period in February 2022.
- **Refunds** of \$61 million, up \$18 million (unfavorable) versus the same period in February 2022.

Sales & Use Tax of \$124 million, up \$17 million versus the same period in February 2022. 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 \$124 million is comprised of the following:

- **Regular sales** tax of \$52 million, up \$4 million versus the same period in February 2022.
- **Meals** tax of \$23 million, up \$6 million versus the same period in February 2022.

- **Motor vehicle** sales tax of \$48 million, up \$8 million versus the same period in February 2022.

Corporate & Business Tax of \$42 million, up \$3 million versus the same period in February 2022. The month-to-date increase is mostly due to an increase in corporate and business estimated payments, partially offset by a decrease in refunds.

Other Taxes of \$69 million, up \$1 million versus the same period in February 2022, includes a number of 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,

A handwritten signature in black ink, appearing to read "G. Snyder", written in a cursive style.

Geoffrey E. Snyder
Commissioner

Attachment: 1

cc: Matthew Gorzkowicz, 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 Susan L. Moran, Senate 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 February 2023 (in \$ Millions)

Tax Collections as of February 15, 2023, Compared to Same Collection Period in FY2022

	February (Through February 15th) (\$ Millions)			FY2023 YTD (Through February 15th) (\$ Millions)		
	02/2023 MTD Actual Collections	02/2023 MTD v. 02/2022 MTD \$ Fav/(Unfav)	02/2023 MTD v. 02/2022 MTD % Fav/(Unfav)	02/2023 YTD Actual Collections	02/2023 YTD v. 02/2022 YTD \$ Fav/(Unfav)	02/2023 YTD v. 02/2022 YTD % Fav/(Unfav)
Income						
Income Withholding	729	52	+7.6%	10,310	353	+3.5%
Income Est. Payments	20	(5)	-19.2%	2,589	(552)	-17.6%
Income Returns/Bills	34	7	+24.6%	991	220	+28.6%
Income Refunds Net (outflow)	(61)	(18)	-42.3%	(892)	(535)	-150.2%
Subtotal Income	722	35	+5.2%	12,998	(513)	-3.8%
Sales & Use						
Sales - Regular	52	4	+7.4%	4,090	290	+7.6%
Sales - Meals	23	6	+32.2%	916	98	+12.0%
Sales - Motor Vehicles	48	8	+19.2%	722	68	+10.4%
Subtotal Sales & Use	124	17	+15.9%	5,728	456	+8.6%
Corporate & Business - Total	42	3	+8.1%	2,153	12	+0.5%
All Other	69	1	+1.9%	1,748	(97)	-5.3%
Total Tax Collections	956	57	+6.3%	22,628	(143)	-0.6%

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.