

FY2019 ANNUAL REPORT

MASSACHUSETTS
DEPARTMENT
OF REVENUE

TOGETHER, OUR
TAX DOLLARS
ARE MAKING A
DIFFERENCE



HEALTHCARE



TRANSPORTATION



RECREATION



ENVIRONMENT



EDUCATION



LIBRARIES



ELDER SERVICES



DISABILITY SERVICES

LETTER FROM THE COMMISSIONER



To the Honorable Charlie Baker, Governor of the Commonwealth, and the Honorable Members of the General Court of Massachusetts:

I am pleased to present the Massachusetts Department of Revenue's (DOR) fiscal 2019 Annual Report. FY2019 revenues totaled \$29.693 billion, 6.9% more than the previous fiscal year and 3.8% above benchmark largely due to strong performance in non-withheld income, and corporate tax collections and "other taxes" categories.

New initiatives were introduced in the Commonwealth during the fiscal year, including a \$2 vehicle rental surcharge to fund the Municipal Police Training Fund, and the implementation of new marijuana retail taxes. Additionally, there were changes to the small business energy exemption to extend the life of the certificate and to create a fully electronic application process.

Sales for recreational marijuana began as recreational marijuana outlets were licensed and opened for business. Sales of marijuana in the Commonwealth are subject to sales tax of 6.25%, excise tax of 10.75% and up to a 3% local option tax.

Short-term rentals and Paid Family Medical Leave arrived in Massachusetts. During FY2019, preparations for the expansion of the room occupancy tax to include short-term rentals, and a new Paid Family and Medical Leave program, were initiated.

This fiscal year, the Division of Local Services (DLS) streamlined IT operations by merging its Municipal Databanks and Information Technology sections into a combined Data Analytics and Research Bureau. Additionally, DLS provided on-the-ground support and policy guidance to cities and towns facing fiscal and operational challenges across the Commonwealth while continuing municipal oversight and advisory roles in the towns of Lawrence, Methuen, and Lynn.

Year three of the upgraded tax system brought great improvements for the tax filing season. In the second year of implementation of the new system for income taxpayers, DOR processed approximately 3.8 million current year income tax returns (87% filed electronically), averaged 14 days for refund turnaround (down 5 from the previous filing season), and issued 2.7 million refunds (67% direct deposit). In addition, taxpayers received fewer notices due to the use of enhanced data analytics.

Child Support Enforcement's (CSE) new computer system moved into the second year of implementation. A significant number of enhancements were made to the new child support enforcement system, positioning CSE to begin preparatory work to request a federal system certification review from the federal Office of Child Support Enforcement. The new system supports nearly 215,000 Massachusetts families who rely on child support as a critical source of income.

DOR's Child Support Enforcement Division collected \$634.1 million in FY2019. DOR collects \$5.74 for every dollar spent on the child support program. Additionally, 96% of all child support collected was distributed to the families for which DOR is providing services.

In FY2019, the Division of Local Services certified free cash for 348 communities for a total of \$1,754,460,005; certified new tax levy growth totaling \$19,807,745,717; distributed \$5.737 billion in net local aid to cities, towns, and regional and charter schools; and conducted 24 Community Compact Cabinet reviews.

The Department of Revenue is committed to serving the taxpayers of the Commonwealth, by focusing our efforts on fairness in collecting revenues, supporting our local officials by promoting sound fiscal management through training and oversight, and providing financial support for families in Massachusetts.

Sincerely,

A handwritten signature in black ink, reading "Kevin W. Brown". The signature is fluid and cursive, with the first name "Kevin" written in a stylized, connected manner.

Kevin W. Brown
Acting Commissioner

LEGISLATIVE REVIEW FY2019

Personal Income Tax and Corporate Excise

Earned Income Tax Credit

The Fiscal Year 2019 Budget (the “2019 Budget”), St. 2018, c. 154, § 30 (approved by the Governor on July 26, 2018), amended G.L. 62, § 6(h) to increase the amount of the Massachusetts Earned Income Tax Credit (“EITC”) an individual may claim from 23% of the federal EITC to 30%. The Massachusetts EITC is a refundable credit available to certain low-income individuals in Massachusetts who have earned income and meet the eligibility requirements for the federal EITC detailed in Internal Revenue Code (“IRC”) § 32. Individuals may claim the Massachusetts EITC even if they are under the dollar threshold that necessitates the filing of a Massachusetts personal income tax return. However, to receive the credit, an individual must file a tax return and affirmatively claim the credit. See TIR 18-13.

Dairy Farm Credit

The 2019 Budget, St. 2018, c. 154, §§ 31-32, amended G.L. 62, § 6(o) and G.L. 63, § 38Z to increase the annual amount of Dairy Farm Credit available to dairy farmers registered under G.L. c. 94 § 16A from \$4,000,000 to \$6,000,000. Dairy farmers may apply the Dairy Farm Credit against their personal income tax or corporate excise liabilities. The Dairy Farm Credit is based on the amount of milk produced and sold during the taxable year when the cost of milk drops below a price based on federal standards. The Dairy Farm Credit is refundable, but is not transferrable. See TIR 18-13.

Apprenticeship Tax Credit

An Act Relative to Economic Development in the Commonwealth (the “Economic Development Act”), St. 2018, c. 228, §§ 14, 17 (approved by the Governor on August 3, 2018), added new subsection G.L. c. 62, § 6(v) and created G.L. c. 63, § 38GG. The legislation allows a business that employs qualified apprentices to claim a credit equal to the lesser of \$4,800 or 50% of the wages paid by the business to each qualified apprentice it hires. A business is eligible for up to \$100,000 in credits each calendar year. To claim the credit, the primary place of employment of the apprentice must be in Massachusetts, the business employing the apprentice must register with the Division of Apprentice Standards as an apprenticeship program sponsor and enter into apprenticeship agreements with each apprentice for whom the credit is claimed,

and the apprentice must be employed for at least 180 calendar days in the taxable year in which the credit is claimed. A business claiming the credit in a taxable year may also be eligible for a credit in the subsequent taxable year, provided that the Division of Apprentice Standards again certifies that the apprentice remains employed as an apprentice during the subsequent taxable year. The credit is not transferrable, but is refundable. See TIR 18-13.

Vacant Storefront Credit

The Economic Development Act, St. 2018, c. 228, § 5, added new subsection G.L. 23A, § 3C(d), which allows the Economic Assistance Coordinating Council (“EACC”) to award credits pursuant to the Economic Development Incentive Program (“EDIP”) to personal income and corporate taxpayers that occupy vacant storefronts in downtown areas that have been designated as Certified Vacant Storefront Districts. The EACC may award up to \$500,000 of available EDIP tax credits as Vacant Storefront Credits on an annual basis. However, in contrast to other EDIP tax credits, businesses seeking the credit will not be required to invest in improvements or create new jobs. Rather, the businesses need only commit to occupying the previously vacant storefront for a period of not less than one year. In determining how to allocate the credits, the EACC will consider a variety of factors, including, but not limited to: (i) the number of jobs to be created, (ii) the volume of pedestrian traffic to be generated, (iii) potential synergy with other downtown businesses, (iv) whether there is a matching contribution from the municipality or landlord, (v) commitment to storefront improvements, and (vi) whether the municipality has made local plans or investments to revitalize the downtown. See TIR 18-13.

Abandoned Building Deduction

The Economic Development Act, St. 2018, c. 228 §§ 12, 16, amended G.L. c. 62, § 3B(a)(10) and G.L. c. 63 § 38O to modify the abandoned building deduction available to Massachusetts personal income and business corporation taxpayers. Previously, the deduction could only be claimed with respect to improvements to abandoned buildings located in Economic Opportunity Areas as designated by the EACC. As a result of the amendments, the deduction may now be claimed with respect to the cost of renovating an abandoned building that is part of a project that has been certified by the EACC. See TIR 18-13.

Qualified ABLE Program

An Act Making Appropriations for Fiscal Year 2018 to Provide for Supplementing Certain Existing Appropriations and for Certain Other Activities and Projects (the “2018 Supplemental Budget”), St. 2018, c. 273 § 7 (approved by the Governor on October 23, 2018), amended M.G.L. c. 62, § 1(c) to tie the Massachusetts personal income tax to the IRC’s current treatment of Qualified ABLE programs under IRC § 529A. A Qualified ABLE program is a program established and maintained by a state or agency under which a person can set up an account to pay the disability-related expenses of an eligible beneficiary. IRC § 529A(a) provides that a Qualified ABLE program is generally exempt from taxation. Additionally, distributions that do not exceed the qualified disability expenses of the designated beneficiary are not includible in gross income. IRC § 529A(c)(1)(B). The Tax Cuts and Jobs Act (“TCJA”) made several amendments to IRC § 529A, including increasing the limitation on certain contributions for individuals with disabilities as referenced under IRC § 529A(b)(2)(B). As a result of this legislation, Massachusetts follows the current IRC and therefore adopts these changes to IRC § 529A. See TIRs 19-11; 18-14.

Deemed Repatriated Income (Corporate Excise and Financial Institution Excise)

Under the TCJA, controlled foreign corporations (“CFCs”) and certain other foreign corporations must increase their federal Subpart F income by an amount equal to the deferred foreign earnings of the foreign corporation that have accumulated since 1986. The 2018 Supplemental Budget, St. 2018, c. 273, §§ 9, 14, amended G.L. c. 63, §§ 1, 30.4 to treat this so-called “deemed repatriated income” in the hands of shareholders as dividends for Massachusetts purposes. As with dividends generally, deemed repatriated income is eligible for the 95% dividends received deduction pursuant to G.L. c. 63, §§ 1, 30.4 and 38(a), subject to the voting stock ownership requirements referenced in those sections. The 2018 Supplemental Budget, St. 2018, c. 273, §§ 12, 17, and 18, also provides that for purposes of apportionment, deemed repatriated income is excluded from the apportionment factors of financial institutions and general business corporations. See TIR 19-11.

Deemed Repatriated Income (Personal Income Tax)

The 2018 Supplemental Budget, St. 2018, c. 273, § 7, amended G.L. c. 62, § 1(c) to conform the Massachusetts personal income tax to the IRC’s Subpart F inclusion rules in IRC § 951 on a current code basis. Moreover, “An Act Making Appropriations for the Fiscal Year 2019 to Provide for Supplementing Certain Existing Appropriations and for Certain Other Activities and Projects” (the “2019 Supplemental Budget”), St. 2019, c. 5, § 30 expressly provides that amounts included in federal gross income under IRC § 951(a) by reason of IRC § 965 will be included in Massachusetts gross income as Part A dividend income in the taxable year ending on December 31, 2019, with a deduction in an amount equal to 60% of the deemed repatriated income included in Part A income. Under the provisions of the 2019 Supplemental Budget, a Massachusetts personal income taxpayer with Massachusetts tax liability attributable to deemed repatriated income who previously made a valid election pursuant to subsection (h) or subsection (i) of IRC § 965 may pay the tax liability in eight installments, generally consistent with the rules set forth in IRC § 965(h). However, the deferral described in IRC § 965(i) will not apply for Massachusetts purposes. Accordingly, an S Corporation that has made a valid election pursuant to IRC § 965(i) may not defer the recognition of deemed repatriated income for Massachusetts purposes, but is allowed to pay such liability in installments. See TIR 19-11.

Global Intangible Low-Taxed Income (Corporate Excise and Financial Institution Excise)

The TCJA added new IRC § 951A, which requires U.S. shareholders of a CFC to include their pro rata share of the CFC’s global intangible low-taxed income (“GILTI”) in federal gross income each year, starting with taxable years beginning after December 31, 2017. The 2018 Supplemental Budget, St. 2018, c. 273, § 14, amended G.L. c. 63, § 30.4 to treat GILTI as dividend income for purposes of the corporate excise. The 2018 Supplemental Budget, St. 2018, c. 273, §§ 12, 17, and 18, also excludes GILTI from the apportionment factors of financial institutions and business corporations. See TIR 19-11.

Global Intangible Low-Taxed Income (Personal Income Tax)

The 2018 Supplemental Budget, St. 2018, c. 273, § 7, amended G.L. c. 62, § 1(c) to conform the Massachusetts personal income tax to the IRC’s GILTI

provision, IRC § 951A, on a current code basis. Consequently, GILTI is included in gross income for Massachusetts personal income tax purposes as Part A dividend income. See TIR 19-11.

Decoupled TCJA Deductions (Corporate Excise and Financial Institution Excise)

The 2018 Supplemental Budget, St. 2018, c. 273, § 12, 15, decoupled the Massachusetts financial institution and corporate excises from the 100% deduction for the foreign-source portion of dividends received from certain foreign corporations by corporate U.S. shareholders provided by IRC § 245A, the deduction for foreign-derived intangible income contained in IRC § 250, and the deduction afforded by IRC § 965(c). See TIR 19-11.

Room Occupancy Excise

An Act Regulating and Insuring Short-Term Rentals, St. 2018, c. 337 (approved by the Governor on December 28, 2018) and An Act Making Appropriations for the Fiscal Year 2019 to Provide for Supplementing Certain Existing Appropriations and for Certain other Activities and Projects, St. 2019, c. 5 (approved by the Governor on March 29, 2019) expanded the room occupancy excise imposed by G.L. c. 64G to short-term rentals, and made other general changes that apply to operators of lodging establishments that were already subject to the excise. The legislation also established new rules allowing all operators to use an intermediary to handle the rental of their property and submit returns and tax due to the Department of Revenue. If an operator chooses to use an intermediary, the intermediary is generally responsible for filing returns and remitting the excise instead of the operator.

The state and local room occupancy excise applies to the transfer of a room or rooms in a bed and breakfast establishment, hotel, lodging house or motel in Massachusetts for a period of 90 consecutive days or less. Beginning on or after July 1, 2019, the room occupancy excise also applies to the transfer of a room in a “short-term rental” for a period of not more than 31 consecutive calendar days, if a rental agreement was entered into on or after January 1, 2019. The term “short-term rental” means an occupied property that is not a hotel, motel, lodging house, bed and breakfast establishment or bed and breakfast home, where at least 1 room or unit is rented out by an operator through the use of advance reservations. A local room occupancy excise also applies to a short-term rental if the

municipality has adopted a local excise pursuant to G.L. c. 64G, § 3A.

The legislation also provides for a new local excise imposed at a rate of 2.75% on taxable transfers of occupancy in cities and towns in Massachusetts that are members of the Cape Cod and Island Water Protection Fund. Additionally, the legislation allows municipalities that have imposed a local option excise to impose new community impact fees on short-term rentals, which may be imposed at a rate of up to 3%, if the property is either a professionally managed unit or located in a two-family or three-family dwelling that includes the operator’s primary residence. See TIR 19-3; 830 CMR 64G.1.1.

Police Training Surcharge on Vehicular Rental Contracts

An Act Relative to the Municipal Training Fund, St. 2018, c. 153 § 4 (approved by the Governor on July 25, 2018), created G.L. c. 90, § 32, which imposes a surcharge of \$2.00 upon each vehicular rental transaction contract in the Commonwealth on or after January 1, 2019. The surcharge is imposed separately, and in addition to, any other tax, such as the Massachusetts sales and use tax, and any surcharge imposed specifically on vehicular rental contracts, such as those imposed in the city of Boston, the city of Revere, or any locality subject to the Convention Center Financing Surcharge (“CCF”) under other laws. See TIR 19-4.

Administrative

Spousal Relief from Joint Liability

An Act Providing for Equitable Relief from Liability for Joint Filers of Tax Returns, St. 2018, c. 445 § 1 (approved by the Governor on January 10, 2019), amended G.L. c. 62C, § 84 to modify the Massachusetts rules for spousal relief from joint income tax liability, thereby bringing them more in line with federal provisions providing similar relief from federal tax liabilities. In general, under G.L. c. 62C, § 6(a), each spouse is jointly and severally liable for the entire amount of tax due on a jointly filed return. Under the legislation, there are now three types of relief from joint tax liability available to an innocent spouse, consistent with the three types of federal relief available: innocent spouse relief, separation of liability relief, and equitable relief, each with its own requirements. Prior to the legislation, only the first type of relief was available in Massachusetts. See TIR 19-5.

The Taxes FY 2019

TYPE OF TAX	MEASURE	RATE ¹	RETURN DUE
Personal income and fiduciary income	Net capital gains ²	5.1–12%	On or before April 15 for calendar year filings.
	Dividends, interest, wages, other income	5.1%	The 15th day of the 4th month for fiscal year filings.
Nonresident	Massachusetts source income	5.1%	
Estimated tax	Liability in excess of \$400		Due quarterly on or before the 15th day of April; June, September and January.
Withholding	Wages	5.1%	Varies depending on amount of tax withheld in calendar year. If annual withholding: up to \$100 — annual filing; \$101–1,200 — quarterly filings; \$1,201–25,000 — monthly filings; over \$25,000 — quarterly filings, weekly payments.
Estate	Federal taxable estate	0.8%–16% ³	Within nine months after date of decedent's death.
Nonresident	Massachusetts real and tangible property ³		Within nine months after date of decedent's death.
Alcoholic beverages	Malt (31-gal. bbl.)	\$3.30	Monthly, on or before the 20th day of the month.
	Cider 3%–6% (wine gal.)	\$.03	
	Still wine 3%–6% (wine gal.)	\$.55	
	Sparkling wine (wine gal.)	\$.70	
	Alcoholic beverages 15% or less (wine gal.)	\$1.10	
	Alcoholic beverages more than 15%–50% (wine gal.)	\$4.05	
	Alcoholic beverages more than 50% or alcohol (proof gal.)	\$4.05	
Cigarettes	20-count package	\$3.51	Monthly, on or before the 20th day of the month. Unclassified acquirers must file upon importation or acquisition.
	Smokeless tobacco (percentage of price paid by licensee)	210%	same as cigarettes
	Cigars and smoking tobacco (percentage of price paid by licensee)	40%	Quarterly, on or before the 20th day following the close of the tax period.
Deeds	Sales price (less mortgage assumed) of real estate	\$2.28 ⁴ per \$500	Monthly, on or before the 10th day of the month (filed by Registers of Deeds).
Motor fuels	Gasoline and diesel fuel per gallon	\$.24	Monthly, on or before the 20th day of the month.
	Propane, liquified gas, etc. (no minimum)	19.1%	
	Aviation (10¢ minimum)	7.5%	
	Jet fuel at local option (5¢ minimum)	5%	
Room occupancy	Transient room occupancy	5.7%	Monthly, on or before the 20th day following the close of the tax period.
	At local option, up to	6.0% ⁵	
	Convention Center Financing Fee	2.75%	
	(Boston, Cambridge, Springfield, Worcester, Chicopee and West Springfield)		
Club alcoholic beverages	Gross receipts	0.57%	On or before April 15.
Sales and use tax	Sale, rental or use of tangible personal property, including cigarettes, telecommunication services and certain fuel.	6.25%	On or before the 20th day following the close of the tax period. If annual liability: up to \$100 — annual filing; \$101–1,200 — quarterly filings; over \$1,200 — monthly filings

¹ Tax rates as of August 1, 2018.

² Gains from the sale or exchange of capital assets (except collectibles) held for more than one year are taxed at 5.1%. Short-term capital gains, as well as long-term capital gains arising from the sale of collectibles (with a 50% deduction) are taxed at 12%.

³ Resident rate is equal to federal credit for state death taxes based on December 31, 2000 IRC. Nonresident rate is equal to Massachusetts proportionate share of federal credit for state death taxes.

⁴ In Barnstable County, the rate is \$6.48 (combined state and county deeds excise) per \$1,000.

⁵ Boston is authorized to charge up to 6.5%

TYPE OF TAX	MEASURE	RATE	RETURN DUE
Sales tax on meals, prepared food and all beverages	All “restaurant” food and on-premises consumption of any beverages in any amount. At local option	6.25% .75%	Monthly, on or before the 20th day following the close of the tax period.
Marijuana retail taxes	Sales of marijuana or marijuana products State excise tax Local option for cities and towns	6.25% 10.75% up to 3%	Monthly, on or before the 20th day following the close of the tax period.
Direct broadcast satellite service	Gross revenues	5%	Monthly, on or before the 20th day of each calendar month.
Business and manufacturing corporations	Net income Tangible property or net worth Minimum	8.0% ⁶ \$2.60 per \$1,000 \$456	On or before the 15th day of fourth month after close of taxable year. ⁷
Estimated tax	Liability in excess of \$1,000		Due quarterly as follows: 15th day of 3rd (40%), 6th (25%), 9th (25%) and 12th (10%) months of taxable year. ⁸
Security corporation			
Non-bank holding co.	Gross income	1.32%	Same as business corporations.
Bank holding company	Gross income	0.33%	
	Minimum	\$456	
Financial institutions	Net income Minimum	9.0% ⁹ \$456	Same as business corporations.
Ship excise tax	Value (equity interest) of the corporation’s interest in a ship or vessel engaged in interstate or foreign trade.	0.33%	Same as business corporations.
Insurance company			
Domestic life	Premiums	2.0%	On or before April 15.
Foreign life	Premiums	2.0%	
Domestic casualty	Premiums	2.28%	
	Gross investment income	0.2%–1.0%	On or before May 15.
Foreign casualty	Premiums	2.28%	
Ocean marine	Underwriting profit	5.7%	
Preferred provider arrangements	Premiums	2.28%	On or before March 15.
Motor vehicle garaged outside Massachusetts	90% to 10% of manufacturer’s list price	\$25 per \$1,000	On or before 30 days from issuance of tax bill.
Boston sightseeing tour	Ticket purchase price of any water- or land-based sightseeing tourist venue or entertainment cruise or trolley tour originating or located in Massachusetts and conducted partly or entirely in Boston.	5%	Quarterly, on or before the 20th day following the close of the tax period.
Boston vehicular rental transaction surcharge	Each vehicular rental transaction contract executed in Boston.	\$10	Quarterly, on or before the 20th day following the close of the tax period.
Parking facilities surcharge in Boston, Springfield and/or Worcester	Parking facilities built in conjunction with or as part of a project authorized by the Convention Center Financing Act in Boston, Springfield or Worcester.	\$2 per vehicle per day	Quarterly, on or before the 20th day following the close of the tax period.

⁶S corporations: 2.9% if total receipts are \$9 million or more; 1.93% if total receipts are \$6 million or more but less than \$9 million.

⁷In general, all S corporation returns are due on the 15th day of the third month. However, an S corporation filing as a taxable member of a combined group may file its corporate excise return on or before the 15th day of the fourth month following the close of the combined group’s taxable year.

⁸30%, 25%, 25% and 20% for corporations with fewer than 10 employees in their first full tax year.

⁹S corporations: 3.9% if total receipts are \$9 million or more; 2.6% if total receipts are \$6 million or more but less than \$9 million.

Revenue Collections FY 2019

In thousands	FY15	FY16	FY17	FY18	FY19	% change FY18–19
STATE TAXES COLLECTED BY DOR						
Alcoholic beverages	\$ 79,862	\$ 82,611	\$ 84,468	\$ 84,978	\$ 86,195	1.4
Financial institutions	51,896	23,465	(130)	17,443	19,467	11.6
Cigarettes ¹	647,101	640,839	619,437	594,173	553,261	(6.9)
Corporations	2,172,076	2,312,031	2,196,705	2,392,154	2,927,160	22.4
Deeds ²	164,356	191,516	205,758	193,541	218,532	12.9
Estate and inheritance	340,903	399,429	336,633	472,956	601,306	27.1
Income ¹	14,468,332	14,407,518	14,699,874	16,255,655	17,125,833	5.4
Insurance	333,168	369,391	358,170	363,569	400,597	10.2
Motor Fuels and IFTA ³	756,194	766,553	769,442	769,144	775,463	0.8
Public Utilities	3,409	(1,604)	(101)	(650)	40	106.2
Room Occupancy ⁴	230,198	246,524	255,458	263,449	283,708	7.7
Sales and Use ⁴	5,804,689	6,090,605	6,241,666	6,491,262	6,842,956	5.4
Club Alcoholic Beverages	953	784	929	865	926	7.1
Motor Vehicle Excise	80	100	97	116	77	(33.5)
Convention Center Surcharges	15,657	16,496	16,868	17,178	17,001	(1.0)
Community Preservation Trust	23,608	25,506	26,676	23,794	23,174	(2.6)
Controlled Substances	—	—	—	—	13,949	1992693
Satellite	11,252	11,773	10,942	9,721	8,605	(11.5)
Statewide Car Rental	—	—	—	—	1,096	—
Total state taxes collected by DOR	\$25,103,734	\$25,583,537	\$25,822,892	\$27,949,346	\$29,899,345	7.0
STATE TAXES COLLECTED BY OTHER AGENCIES						
Massachusetts Gaming Commission						
Pari-mutuel taxes	\$ 0	\$ 1,326	\$ 902	\$ 887	\$ 788	(11.1)
Gaming revenue taxes	1,203	64,356	63,432	68,010	130,702	92.2
Lottery Commission						
Beano	849	845	787	731	697	(4.6)
Raffles and bazaars	915	897	955	1,031	1,123	8.9
State Athletic Commission						
Boxing contests	179	182	45	208	126	(39.6)
Boxer's fund	20	19	9	33	13	(6196.0)
Division of Insurance						
Excess and surplus lines insurance	34,664	37,405	39,349	42,682	44,848	5.1
Secretary of State						
Deeds excise stamp tax fees	73,934	90,426	91,435	90,956	99,815	9.7
Division of Unemployment Assistance						
Workforce training contribution	23,568	22,814	24,400	24,676	25,131	1.8
Total state taxes collected by other agencies	\$ 135,332	\$ 218,270	\$ 221,314	\$ 229,214	\$ 303,244	32.3
TOTAL STATE TAXES	\$25,239,066	\$25,801,807	\$26,044,206	\$28,178,561	\$30,202,589	7.2

¹Includes income tax penalties assessed under Section 2 of Chapter 111M of the General Laws and cigarette excise revenues credited to the Commonwealth Care Trust Fund in accordance with Chapter 302, Sections 12 and 70 of the Acts of 2008.

²Due to different accounting methods, amounts reported for the deeds excise differ from those reported by the comptroller.

³International Fuel Tax Agreement.

⁴Includes sales, meals, room occupancy excise taxes and service fees for the City of Worcester DCU Capital Improvement Fund, as well as sales tax revenue collected from the sale of alcoholic beverages under Chapter 64H of the General Laws and credited to the Substance Abuse Prevention and Treatment Fund.

In thousands	FY15	FY16	FY17	FY18	FY19	% change FY18–19
OTHER REVENUE						
Local option airplane jet fuel	\$ 37,471	\$ 23,373	\$ 19,010	\$ 25,700	\$ 36,197	40.8
Local option rooms	185,283	199,080	206,129	212,447	228,914	7.8
Local option meals	109,259	119,730	125,999	133,791	142,217	6.3
Local option marijuana	—	—	—	—	3,893	—
Local option vehicle rental surcharge	—	—	—	—	1,768	—
Local option community impact fee	—	—	—	—	—	—
Urban redevelopment	37,295	36,568	26,394	28,862	30,385	5.3
Department non-tax revenue	10,095	10,449	8,733	8,828	11,548	30.8
Paid family and medical leave fund	—	—	—	—	—	—
County recording fees	25,930	27,860	29,293	24,317	25,698	5.7
Abandoned deposits — bottle	39,911	44,333	45,428	44,758	53,333	19.2
Local rental vehicle (Convention Center 10%)	1,460	1,534	1,578	1,542	—	—
Vehicle rental surcharge	132	176	171	149	—	—
Embarkation fees	1,284	1,413	1,420	1,421	1,509	6.2
UST delivery fees	73,644	75,169	76,085	79,951	78,869	(1.4)
Cape Cod & Islands water protection fund	—	—	—	—	—	—
Total other revenue	\$ 521,764	\$ 539,685	\$ 540,240	\$ 561,765	\$ 614,331	9.4
TAXES ON PROPERTY COLLECTED BY LOCAL GOVERNMENT						
Real estate	\$ 13,860,548	\$ 14,469,307	\$ 15,089,741	\$ 15,765,843	\$ 16,519,407	4.8
Personal property	693,529	709,928	741,663	774,618	803,182	3.7
Motor vehicles	784,007	850,225	867,553	916,471	924,463	0.9
Total taxes on property collected by local government	\$15,338,084	\$16,029,461	\$16,698,957	\$17,456,931	\$18,247,052	4.5
TOTAL ALL TAXES	\$41,098,914	\$42,370,953	\$43,283,403	\$46,197,257	\$49,063,973	6.2

Because of rounding, detail may not add to totals.

Offers in Final Settlement FY 2019

Under M.G.L. c. 62C, sec. 37A, the Commissioner of Revenue has the authority, under specific conditions, to accept less than full payment as a final settlement for a state tax liability. The statutory condition for such settlement is “serious doubt” as to collectibility of the tax due or the taxpayer’s liability for it. The Commissioner must also determine that the taxpayer or responsible person has acted without intent to defraud. The settlement must be recommended to the Commissioner by at least two deputy commissioners.

The written agreement, signed by all parties and including the reasons for settlement, is a public record. In cases where the liability is reduced by more than half, or by \$20,000 or more, the Attorney General of the Commonwealth must review the settlement and has the authority to object to it.

The law requires that a listing of all settlements entered into during the fiscal year be included in the Commissioner’s annual report. In Fiscal Year 2019, nine settlements were made. All nine were reviewed by the Attorney General.

The cases approved were as follows:

NAME	TOTAL TAX, INTEREST & PENALTIES	AMOUNT PAID IN SETTLEMENT	AMOUNT ABATED
Stephen R. Clements and Margaret A. Clements	\$ 30,640.42	\$ 7,728.00	\$ 22,912.42
Rodney Toney	8,798.66	4,800.00	3,998.66
Cape Ann Lodge #1471 Loyal Order of Moose and Alfred B. Chianciola, Responsible Person	230,049.25	60,000.00	170,049.25
K Y R Industries, Inc. and Timothy F. Risk, Responsible Person	228,529.48	40,800.00	187,729.48
D.A.T., Inc. and Donna A. Tiernan, Responsible Person	38,893.86	17,770.00	21,123.86
Mechlogic Corp. and Richard A. Simmers, Responsible Person	86,427.47	40,032.00	46,395.47
Jean F. Gerard	27,215.15	5,000.00	22,215.15
Michael D. Nguyen, f/k/a Khoung Duc Nguyen	52,836.18	9,830.00	43,006.18
Max Marcus, Inc. and Alan L. Meltzer and Michelle M. Meltzer, Responsible Persons	244,258.44	70,800.00	173,458.44
TOTAL	\$947,648.91	\$256,760.00	\$690,888.91

Because of rounding, detail may not add to totals.

Collection Agencies FY 2019

Chapter 209 of the Acts of 1988 permits the Commissioner of Revenue to use private collection agencies to collect unpaid state taxes. The Commissioner is required to notify all taxpayers whose accounts are to be assigned to a collection agency at least 30 days beforehand.

The law requires that the Commissioner list all agencies with whom collection agreements exist, the amount of taxes collected and the amount of compensation paid in the Department’s annual report. They are as follows:

CONTRACTOR	TOTAL COLLECTED	FEES PAID	NET TO DOR
Allen Daniel Associates	\$ 5,591,348	\$ 579,596	\$ 5,011,752
EOS-CCA	6,565,560	709,122	5,856,438
TOTAL	\$12,156,908	\$1,288,718	\$10,868,190

Because of rounding, detail may not add to totals.