



ANNUAL REPORT/FY22

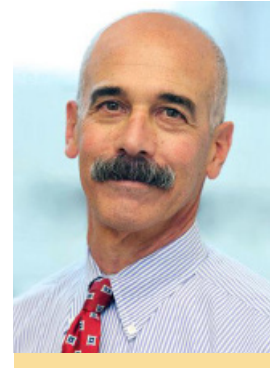
MASSACHUSETTS DEPARTMENT OF REVENUE



LETTER FROM THE COMMISSIONER

To the Honorable Maura Healey, 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 Year 2022 (FY22) Annual Report as directed by G.L. c. 14, § 6. FY 2022 budgeted revenues totaled \$41.105 billion, 20.5% more than the previous fiscal year and 9.1% above benchmark, reflecting strong performance in all major tax categories attributable to unprecedented financial market performances and capital gains tax revenue, the impact of elective Pass-through Entity (PTE) excise payments, healthy labor market conditions, and strength in retail sales.



On September 30, 2021, the Massachusetts Legislature enacted an elective PTE excise in response to the \$10,000 cap on the federal state and local tax (SALT) deduction added in the 2017 federal Tax Cuts and Jobs Act. Under the new legislation, entities taxed as S corporations and partnerships, and certain trusts, may elect annually to be subject to the PTE Excise at a rate of 5%. Qualified members of an electing PTE are eligible for a credit equal to 90% of a member's distributive share of PTE excise paid.

Film incentive credits were due to expire on January 1, 2023. However, the FY22 Budget amended An Act Providing Incentives to the Motion Picture Industry, which created the film incentive credits, to make them permanent.

COVID-19 Temporary Emergency Paid Sick Leave Program went into effect on May 28, 2021. DOR implemented the reimbursement process for a \$75 million fund for Massachusetts employers that compensated employees who were unable to work for reasons related to COVID-19. Ultimately, over \$150 million was reimbursed to employers through this program.

The Child Support Enforcement Division collected \$597.2 million in FY2022. DOR collected \$5.46 for every dollar spent on the child support program. Additionally, 94% of all child support collected was distributed to the families for whom DOR is providing services.

In FY2022, the Division of Local Services certified free cash for 348 communities for a total of \$2,334,348,411; certified tax levies totaling \$19,763,694,561; and distributed \$6.6 billion in net local aid to cities, towns, and regional and charter schools.

The Department of Revenue remains committed to serving the taxpayers of the Commonwealth. We do that 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 blue ink, appearing to read 'G. Snyder', written over a horizontal line.

Geoffrey E. Snyder
Commissioner

LEGISLATIVE REVIEW FY2022

Personal Income Tax and the Corporate Excise

Delay in Reinstatement of the Personal Income Tax Deduction for Charitable Contributions

The Fiscal Year 2022 Budget (FY22 Budget), St. 2021, c. 24, delayed the reinstatement of the Massachusetts charitable deduction under G.L. c. 62, § 3.B.(a)(13), which has been suspended since the 2002 tax year, until taxable years beginning on or after January 1, 2023. St. 2021, c. 24, § 99; TIR 22-6.

Optional Pass-Through Entity Excise

The FY22 Budget created G.L. c. 63D, which allows pass-through entities, including S corporations, partnerships, limited liability companies, and certain trusts, to pay an optional 5% excise on the income that flows through to their qualified members. The qualified member may claim a nontransferable, refundable credit equal to 90% of his or her allocable share of the entity's excise due. The excise applies to electing pass-through entities for taxable years beginning on or after January 1, 2021. St. 2021, c. 24, § 146; TIR 22-5; TIR 22-6.

Changes to the Film Incentive Credits

The FY22 Budget amended G.L. c. 62, § 6(I) and G.L. c. 63, § 38X, which provide motion picture companies credits against the personal income tax or corporate excise, respectively, for certain payroll expenses and certain production expenses incurred in producing a film in the Commonwealth. These credits were due to expire on January 1, 2023. However, pursuant to Section 68 of the FY22 Budget, the film incentive credits were made permanent. In addition, for taxable years beginning on or after January 1, 2022, a taxpayer must incur at least 75% of its production expenses in Massachusetts for a film project to qualify for the credit (a 50% threshold applies to prior taxable years). St. 2021, c. 24, §§ 25, 36, 68, 147; TIR 22-5.

Extension of the Massachusetts Historic Rehabilitation Credit

The FY22 Budget amended G.L. c. 62, § 6J and G.L. c. 63, § 38R, which provide individuals and business entities subject to personal income tax and the corporate excise, respectively, credits for certain expenditures incurred in rehabilitating certain qualified historic structures. These credits were due to expire on December 31, 2021. However, Sections 31 and 35 of the FY22 Budget extended the credit to taxable years ending on or before December 31, 2027. St. 2021, c. 24, §§ 31, 35; TIR 22-5.

Repeal of Deduction for Energy Patents

The FY22 Budget repealed G.L. c. 62, § 2(a)(2)(G) and G.L. c. 63, § 30(3) which allowed individuals and business entities subject to the personal income tax and the corporate excise, respectively, to deduct income generated from certain patents useful for energy conservation or alternative energy development. Sections 23, 32, and 145 of the FY22 Budget repeal the deduction effective for taxable years beginning on or after January 1, 2022. St. 2021, c. 24, §§ 23, 32, 145; TIR 22-5.

Repeal of Medical Device User Fee Credit

The FY22 Budget repealed G.L. c. 62, § 6½ and G.L. c. 63, § 31L, which allowed individuals and business entities subject to the personal income tax and the corporate excise, respectively, that develop or manufacture medical devices in Massachusetts to claim a transferable credit equal to 100% of the user fees they pay when submitting certain medical device applications and supplements to the Food and Drug Administration. Sections 34 and 145 of the FY22 Budget repealed the deduction effective for taxable years beginning on or after January 1, 2022. St. 2021, c. 24, §§ 34, 145; TIR 22-5.

Repeal of Harbor Maintenance Credit

The FY22 Budget repealed G.L. c. 63, § 38P, which allowed business corporations subject to the corporate excise to claim a nonrefundable, nontransferable credit equal to certain harbor maintenance taxes paid to the federal government. Sections 24 and 29 of the FY22 Budget repealed the credit effective for taxable years beginning on or after January 1, 2022. St. 2021, c. 24, §§ 24, 29; TIR 22-5.

Disability Hire Credit

The FY22 Budget added a new credit, effective for taxable years beginning on or after January 1, 2023, for employers that hire employees with disabilities.

Pursuant to Sections 29 and 37 of the FY22 Budget, employers subject to tax under G.L. c. 62 or G.L. c. 63 can claim a nontransferable, refundable credit equal to (i) the lesser of \$5,000 or 30% of the wages paid to a disabled employee in the employee's first year of employment, and (ii) the lesser of \$2,000 or 30% of the wages paid to a disabled employee in each subsequent year of the employee's employment. The employee must meet certain requirements related to his or her functional limitations and be hired after July 1, 2021, and the employer must obtain certain certifications from the Massachusetts Rehabilitation Commission. St. 2021, c. 24, §§ 29, 37; TIR 22-5.

Repeal of Deduction for Dependent Care Expenses; New Credit for Dependent Care Expenses

The FY22 Budget repealed the deduction that personal income taxpayers could claim for expenses they incurred in caring for a dependent child, or an elderly or disabled family member, for taxable years beginning on or after January 1, 2021.

In place of the deduction, Section 29 of the FY22 Budget inserted paragraph (x) into G.L. c. 62 § 6, creating a refundable, nontransferable credit that taxpayers can claim for expenses incurred in caring for a "qualifying individual," defined as (i) a dependent of the taxpayer who is younger than 13 years old or (ii) a dependent of the taxpayer, including a spouse, who is physically or mentally incapable of taking care of himself or herself and principally lives with the taxpayer. The credit is equal to "employment-related expenses" allowed for purposes of determining the credit provided under Code § 21 and cannot exceed \$240 if the taxpayer claims expenses for one qualifying individual or \$480 if the taxpayer claims expenses for two or more qualifying individuals. The credit cannot be claimed together with the credit for eligible dependents allowed under G.L. c. 62, § 6(y) and is available for taxable years beginning on or after January 1, 2021. St. 2021, c. 24, §§ 24, 29, 141; TIR 22-5.

Repeal of Deduction for Eligible Dependents; New Credit for Eligible Dependents

The FY22 Budget repealed the deduction that personal income taxpayers could claim for eligible dependents for taxable years beginning on or after January 1, 2021.

In place of the deduction, Section 29 of the FY22 Budget inserted paragraph (y) into G.L. c. 62 § 6, creating a refundable, nontransferable credit for taxpayers with eligible dependents. To claim the credit, a taxpayer must furnish over half of the cost of maintaining a household, and the household must include a dependent that qualifies as a dependent under Code § 152 and who is (i) under the age of 12; (ii) aged 65 or over; or (iii) disabled. The credit is equal to \$180 if the taxpayer claims one dependent, or \$360 if the taxpayer claims two or more dependents. The credit cannot be claimed by married taxpayers that file separate Massachusetts personal income tax returns. A taxpayer claiming this credit may not also claim the credit for dependent care expenses allowed under G.L. c. 62, § 6(x), discussed above. The credit is available for taxable years beginning on or after January 1, 2021. St. 2021, c. 24, §§ 24, 29, 141; TIR 22-5.

Deduction for Contributions to a Massachusetts 529 College Savings Plan or Prepaid Tuition Program Made Permanent

The FY22 Budget amended G.L. c. 62, § 3.B(a)(19), which allows individuals subject to the personal income tax to deduct from their taxable income contributions to a Massachusetts 529 college savings plan or a prepaid tuition program, up to \$1,000 per individual or \$2,000 per married couple filing jointly. As initially enacted, this deduction was available to taxpayers for taxable years beginning on January 1, 2017 through January 1, 2021. The deduction was scheduled to expire for subsequent taxable years. Section 70 of the FY22 Budget eliminated the expiration, making the deduction permanent. St. 2021, c. 24, § 70; TIR 22-5.

Exclusion of Shuttered Venue Operator Grants and Restaurant Revitalization Grants

An Act Relative to Immediate COVID-19 Recovery Needs (Recovery Act), St. 2021, c. 102 § 77, allowed personal income taxpayers to deduct Shuttered Venue Operator Grants and Restaurant Revitalization Grants received from the Small Business Administration from their Massachusetts gross income for taxable years beginning on or after January 1, 2021. Pursuant to Section 77 of the Recovery Act, taxpayers who received such grants can also deduct expenses paid with these amounts to the extent that the expenses are otherwise deductible for federal income tax purposes. St. 2021, c. 102, § 77; TIR 22-2.

Tax Treatment of COVID-Related Small Business Relief Received from a Program Administered by the Massachusetts Growth Capital Corporation

The Recovery Act allowed individuals and business entities subject to the personal income tax or the corporate excise to exclude any amount received from a small business relief program administered through the Massachusetts Growth Capital Corporation for purposes of providing emergency COVID-19 relief, including grants and the portion of any loan subsequently forgiven, in determining their Massachusetts gross income, for any taxable year beginning on or after January 1, 2021. St. 2021, c. 102, § 78; TIR 22-5.

Miscellaneous Excises

Tourism Destination Marketing District Fee

An Act Making Appropriations for Fiscal Year 2021 to Provide for Supplementing Certain Existing Appropriations and for Certain Other Activities and Projects (FY21 Supplemental Budget) amended Chapter 40X, which authorizes entities subject to the room occupancy excise within a specified geographic region to impose a special assessment on rent. Specifically, Sections 14 and 16 of the FY21 Supplemental Budget clarified that any special assessment imposed pursuant to G.L. c. 40X shall be treated as tax for administration and collection purposes and shall be subject to chapter 62C. St. 2021, c. 29, § 14, 16.

Tax Administration

Advance Payment of Room Occupancy Excise, Sales and Use Tax

The Recovery Act amends G.L. c. 62C, § 16B, which requires certain operators and vendors to remit on or before the 25th day of the filing period any room occupancy excise and sales and use tax collected on or before the 21st day of the filing period. Entities that fail to meet this deadline will generally be assessed a 5% penalty on the amount of such underpayment. However, pursuant to Section 34 of the Recovery Act, the penalty will not be imposed if the taxpayer remits by the 25th day of the filing period 80% or more of the taxpayer's total tax or excise due for the immediately preceding month, provided that there was such a liability in the prior month. St. 2021, c. 102 § 34; TIR 22-5.

THE TAXES FY2022

TYPE OF TAX	MEASURE	RATE ¹	RETURN DUE
Personal income and fiduciary income	Net capital gains ² Dividends, interest, wages, other income	5–12% 5%	On or before April 15 for calendar year filings. The 15th day of the 4th month for fiscal year filings. ³
Nonresident	Massachusetts source income	5%	
Estimated tax	Liability in excess of \$400		Due quarterly on or before the 15th day of April; June, September and January.
Withholding	Wages	5%	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.
Pass-through entity (PTE) excise (Voluntary and subject to affirmative election)	The sum of the distributive shares of income subject to Massachusetts personal income tax of each qualified member	5%	Due at same time as a PTE's Form 355S, Form 3, or Form 2.
Estate	Federal taxable estate	0.8%–16% ⁴	Within nine months after date of decedent's death.
Nonresident	Massachusetts real and tangible property ⁴		Within nine months after date of decedent's death.
Alcoholic beverages	Malt (31-gal. bbl.) Cider 3%–6% (wine gal.) Still wine 3%–6% (wine gal.) Sparkling wine (wine gal.) Alcoholic beverages 15% or less (wine gal.) Alcoholic beverages more than 15%–50% (wine gal.) Alcoholic beverages more than 50% or alcohol (proof gal.)	\$3.30 \$.03 \$.55 \$.70 \$1.10 \$4.05 \$4.05	Monthly, on or before the 20th day of the month.
Cigarettes	20-count package Smokeless tobacco (percentage of price paid by licensee) Electronic Nicotine Delivery Systems (ENDS)(wholesale price) Cigars and smoking tobacco (percentage of price paid by licensee)	\$3.51 210% 75% 40%	Monthly, on or before the 20th day of the month. Unclassified acquirers must file upon importation or acquisition. same as cigarettes same as cigarettes 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 ⁵ 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 Propane, liquified gas, etc. (no minimum) Aviation (10¢ minimum) Jet fuel at local option (5¢ minimum)	\$.24 19.1% 7.5% 5%	Monthly, on or before the 20th day of the month.

TYPE OF TAX	MEASURE	RATE ¹	RETURN DUE
Room occupancy	Transient room occupancy At local option, up to Convention Center Financing Fee (Boston, Cambridge, Springfield, Worcester, Chicopee and West Springfield) Cape Cod and Islands Water Protection Fund Fee (Barnstable, Nantucket and Dukes Counties) Community Impact Fee, At local option on certain short-term rentals Tourism Destination Marketing District Fee, at local option	5.7% 6.0% ⁶ 2.75% 2.75% up to 3% up to 2%	Monthly, on or before the 20th day following the close of the tax period.
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 filing
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% ⁷ \$2.60 per \$1,000 \$456	On or before the 15th day of fourth month after close of taxable year. ⁸
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. ⁹
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% ¹⁰ \$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.

TYPE OF TAX	MEASURE	RATE ¹	RETURN DUE
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%	
Foreign casualty	Premiums	2.28%	
Ocean marine	Underwriting profit	5.7%	On or before May 15.
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.

¹ Tax rates as of August 1, 2021.

² Gains from the sale or exchange of capital assets (except collectibles) held for more than one year are taxed at 5%. 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%.

⁴ 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.

⁵ In Barnstable County, the rate is \$6.48 (combined state and county deeds excise) per \$1,000.

⁶ Boston is authorized to charge up to 6.5%

⁷ S corporations: 3% if total receipts are \$9 million or more; 2% if total receipts are \$6 million or more but less than \$9 million, and S corporations with receipts of less than \$6,000,000 are not subject to the income measure of excise.

⁸ In 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.

⁹ 30%, 25%, 25% and 20% for corporations with fewer than 10 employees in their first full tax year.

¹⁰ S corporations: 4% if total receipts are \$9 million or more; 2.63% if total receipts are \$6 million or more but less than \$9 million, and S corporations with receipts of less than \$6,000,000 are not subject to the income measure of excise.

REVENUE COLLECTIONS FY2022

In thousands	FY18	FY19	FY20	FY21	FY22	% change FY21-22
STATE TAXES COLLECTED BY DOR						
Alcoholic Beverages	\$ 84,978	\$ 86,195	\$ 87,621	\$ 92,660	\$ 97,022	4.7
Financial Institutions	17,443	19,467	9,311	44,926	22,625	(49.6)
Cigarettes ¹	594,173	553,261	523,963	398,214	390,686	(1.9)
Corporations	2,392,154	2,927,160	2,523,446	3,626,597	4,576,811	26.2
Deeds	193,541	218,532	215,812	278,547	326,336	17.2
Estate and Inheritance	472,956	601,306	699,555	787,764	868,444	10.2
Income ¹	16,255,655	17,125,833	17,388,969	19,662,123	24,378,536	24.0
Insurance	363,569	400,597	415,459	480,483	509,117	6.0
Motor Fuels and I.F.T.A ²	769,144	775,463	707,877	662,932	722,788	9.0
Public Utilities	(650)	40	(346)	1,472	1,572	6.8
Room Occupancy ³	263,449	283,708	252,268	124,220	294,219	136.9
Sales and Use ³	6,491,262	6,842,956	6,846,338	7,849,850	8,809,380	12.2
Club Alcoholic Beverages	865	926	750	546	621	13.9
Motor Vehicle Excise	116	77	195	783	1,115	42.4
Convention Center Surcharges	17,178	17,001	16,682	4,233	10,596	150.3
Community Preservation Trust	23,794	23,174	42,134	82,212	70,650	(14.1)
Controlled Substances and Marijuana Excise	0	0	13,949	112,370	156,669	39.4
Satellite	9,721	8,605	7,634	6,708	6,081	(9.3)
Statewide car rental	—	1,096	6,174	3,242	4,424	36.5
Electronic Nicotine Delivery System	—	—	—	13,304	16,326	22.1
Total state taxes collected by DOR	\$27,949,346	\$29,899,345	\$29,795,526	\$34,233,184	\$41,264,018	20.4
STATE TAXES COLLECTED BY OTHER AGENCIES						
Massachusetts Gaming Commission:						
Pari-Mutual Taxes	\$ 887	\$ 788	\$ 741	\$ 1,117	\$ 1,080	(3.3)
Gaming Revenue Taxes	\$68,010	130,702	187,870	224,007	300,057	33.9
Lottery Commission:						
Beano	731	697	481	30	337	1039.6
Raffles and Bazaars	1,031	1,123	857	585	815	39.4
State Athletic Commission:						
Boxing Contests	208	126	150	0	77	—
Boxer's Fund	33	13	23	0	18	—
Division of Insurance:						
Excess and Surplus Lines Insurance	42,682	44,848	54,660	56,922	78,880	38.6
Secretary of State:						
Deeds Excise Stamp Tax Fees	90,956	99,815	98,338	118,630	146,009	23.1
Division of Unemployment Assistance:						
Workforce Training Contribution	24,676	25,131	25,743	21,363	21,365	0
Total state taxes collected by other agencies	\$ 229,214	303,244	368,863	422,653	548,637	29.8
TOTAL STATE TAXES	\$28,178,561	\$30,202,589	\$30,164,389	\$34,655,837	41,812,654	20.7

In thousands	FY18	FY19	FY20	FY21	FY22	% change FY21–22
OTHER REVENUE						
Local option airplane jet fuel	\$ 25,700	\$ 35,973	\$ 31,177	\$ 9,798	\$ 25,659	161.9
Local option rooms	212,447	228,914	209,229	108,844	251,542	131.1
Local option meals	133,791	142,217	125,822	109,249	156,552	43.3
Local option marijuana	0	3,893	14,386	31,252	43,337	38.7
Local option vehicle rental surcharge	0	1,768	1,770	595	1,154	94.2
Local option community impact fee	0	0	630	924	2,048	121.6
Urban redevelopment	28,862	30,330	29,501	63,650	45,290	(28.8)
Department non-tax revenue	8,828	13,122	9,010	12,261	16,180	32.0
Paid family and medical leave	0	0	608,707	951,781	949,690	(.2)
County recording fees	24,317	25,698	30,082	39,707	33,107	(16.6)
Abandoned deposits – bottle	44,758	53,280	60,252	71,637	71,618	0
Local rental vehicle (Convention Center 10%)	1,542	0	0	0	0	—
Vehicle rental surcharge	149	0	0	0	0	0
Embarkation fees	1,421	1,509	1,518	973	1,380	41.9
UST delivery fees	79,951	78,704	74,802	69,778	76,989	10.3
Cape Cod & Islands water protection fund	0	0	9,359	15,558	20,266	30.3
Tourism District Fee	—	—	—	—	15,422	—
Total other revenue	\$561,766	\$615,407	\$1,206,246	\$1,486,007	1,701,234	14.5
TAXES ON PROPERTY COLLECTED BY LOCAL GOVERNMENT						
Real Estate	\$15,765,842	\$16,519,215	\$17,287,537	\$18,030,614	18,800,267	4.3
Personal Property	774,617	803,182	844,697	900,357	963,428	7.0
Motor Vehicles	916,471	927,082	894,810	912,272	945,964	3.7
Total taxes on property collected by local government	\$17,456,930	\$18,249,479	\$19,027,044	\$19,843,243	20,709,659	4.4
TOTAL ALL TAXES	\$49,068,125	\$49,068,125	\$50,427,918	\$55,984,114	64,232,548	14.7

¹ Includes 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.

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

³ International Fuel Tax Agreement.

Because of rounding, detail may not add to totals.

OFFERS IN COMPROMISE

FY2022

The Commissioner of DOR is authorized under Massachusetts General Laws, Chapter 62C, s 37A to accept less than the full amount of the tax liability owed if there is "serious doubt" as to whether the tax due can be collected, there is no intent to defraud, and accepting an offer is in the best interest of the Commonwealth. The Offer in Compromise must be recommended to the Commissioner of DOR by at least two deputy commissioners. The written agreement, signed by all parties and including the reasons for compromise, is a public record.

In settlements where the accepted Offer in Compromise amount is \$20,000 or more less than the full amount of the tax liability or 50% less than the full amount owed by the taxpayer, the Attorney General of the Commonwealth has the authority to review and object to the Offer in Compromise.

The law requires that a listing of all Offers in Compromise accepted during the fiscal year be included in the Commissioner's Annual Report. In Fiscal Year 2022, the Attorney General reviewed the following Offers:

TAXPAYER NAME	TOTAL TAX, INTEREST & PENALTIES	AMOUNT PAID IN COMPROMISE	AMOUNT ABATED
K & R Industries, Inc. & Timothy F. Risk as Responsible Person	\$ 228,529.48	\$40,800.00	\$ 187,729.48
Bret Christopher	19,595.80	1,500.00	18,095.80
Christopher P. Luther, Cynthia M. Luther, C&L Mortgage, Inc. & Luther Flooring & Contracting, Inc.	73,271.06	9,862.00	63,409.06
The Baker's Oven, Inc. & Daniel J. Mojallali as Responsible Person	29,513.34	16,000.00	13,513.34
Deng Chanthapamouk	16,249.91	5,000	11,249.91
The Benny KK Corp & Benjamin R. de la Cretaz formerly known as Benjamin R. Kraines as Responsible Person	185,486.15	122,261.00	63,225.15
Simone O. Doyle	31,378.14	9,000.00	22,378.14
McLaughlin Mechanical Services, Inc., Central Mechanical & Contracting, LLC & Michael T. McLaughlin & William J. Frasier as Responsible Persons	176,517.19	116,440.00	60,077.19
John P. Doherty d/b/a Zume's Coffee House	631,126.42	150,000.00	481,126.42
Georgios Savvidis d/b/a Holden Pizza & Georgios Savvidis & the Estate of Dimitra Savvidis	208,993.36	77,000.00	131,993.36
Oscar Clemente Martinez	25,410.94	5,000.00	20,410.94
Glenn R. Govey & Diane E. Govey	64,862.88	40,000.00	24,862.88
Vasilios Vasiliadis	23,353.87	14,600.00	8,753.87
Robert A. Thibault, Jr. d/b/a King's Oak Pizza	26,615.29	10,800.00	15,815.29
Relief Resources, Inc. & Douglas S. Hammond & Patricia A. Alexander as Responsible Persons	194,319.98	75,000.00	119,319.98
Dennis J. Fontecchio	36,702.01	14,208.02	22,493.99
Ballini, Inc., Den Enterprises, Inc. & Donna M. Balletta as Responsible Person & for Income Taxes	89,887.27	25,000.00	64,887.27
Junisa, LLC & Michael S. Thiel as Responsible Person & for Income Taxes	114,776.22	26,637.15	88,139.07
Nergis, Inc. & Erdogan Yildirim as Responsible Person & for Income Taxes	48,784.56	12,000.00	36,784.56
Enrique Arzu Lambert	29,942.18	5,000.00	24,942.18
S&P Restaurant, Inc. & Paula C. Beaudoin as Responsible Person	66,484.00	22,000.00	44,484.00
Jonny's Catering, Inc. & Jonathan J. Camosse as Responsible Person & Jonathan J. Camosse d/b/a Jonny's Bad Boy Catering & for Income Taxes	57,529.62	37,000.00	20,529.62
EMK Corp & Elie N. Karak as Responsible Person	168,018.40	42,800.00	125,218.40
Big Bully's BBQ Burgers, LLC & Lawrence J. Scaglione, III as Responsible Person	52,297.70	19,200.00	33,097.70
Sturgis Restaurant, LLC & Michael P. Sturgis as Responsible Person	49,223.96	6,000.00	43,223.96
TOTALS	\$2,648,869.73	\$903,108.17	\$1,745,761.56

Because of rounding, detail may not add to totals.

COLLECTION AGENCIES FY2022

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	\$7,317,751.59	\$691,032.04	\$6,626,719.55
EOS-CCA	6,511,868.94	767,634.48	5,744,234.46
TOTAL	\$13,829,620.53	\$1,458,666.52	\$12,370,954.01

Because of rounding, detail may not add to totals.