June 16, 2022

William J. McNamara, Comptroller
Office of the Comptroller
Commonwealth of Massachusetts
One Ashburton Place, Room 901
Boston, MA 02108

Dear Comptroller McNamara:

Pursuant to Section 5G of Chapter 29 of the General Laws, the Department of Revenue (DOR) is required to certify to the State Comptroller, after each quarter during the fiscal year, the amount of tax revenues estimated to have been collected during the preceding quarter from capital gains income.

Because capital gains tax payments are remitted unevenly throughout the fiscal year according to tax filing deadlines, to ensure accurate reporting DOR certifies capital gains tax collections on the following schedule:

- Period 1 (July 1 through September 30)
- Period 2 (October 1 through January 31)
- Period 3 (February 1 through May 31)
- Period 4 (June 1 through June 30)

The table below shows capital gains tax revenue estimates for each of the first three certification periods, and on a year-to-date basis during fiscal year 2022.

<table>
<thead>
<tr>
<th>Period</th>
<th>Period $ millions</th>
<th>Fiscal year-to-date $ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period 1 (July 1, 2021 to September 30, 2021)</td>
<td>$510.58</td>
<td>$510.58</td>
</tr>
<tr>
<td>Period 2 (October 1, 2021 to January 31, 2022)</td>
<td>$705.65</td>
<td>$1,216.23</td>
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<tr>
<td>Period 3 (February 1, 2022 to May 31, 2022)</td>
<td>$2,298.12</td>
<td>$3,514.35</td>
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</table>
Based on currently available data, DOR hereby certifies that tax revenues estimated to have been collected from capital gains income were $2,298.12 million during the fiscal year 2022 Period 3 (February 1, 2022 through May 31, 2022). The year-to-date (July 2021 through May 2022) tax revenues estimated to have been collected from capital gains income were $3,514.35 million. Please note that these amounts are subject to revision in the Period 4 certification as DOR receives more data.

Under Section 5G of Chapter 29 of the General Laws, the amount of certified capital gains tax revenue collections over a defined threshold, which was previously set at $1,351.91 million for FY22, is transferred to various funds as follows: 90% to the Commonwealth Stabilization Fund; 5% to the State Retiree Benefits Trust Fund; and 5% to the Commonwealth's Pension Liability Fund.

Therefore, this capital gains tax certification letter shall generate a transfer of approximately $2,162.44 million, to the aforementioned funds as follows under Section 5G of Chapter 29 of the General Laws:

- 90% (~$1,946.20 million) shall be transferred into the Commonwealth Stabilization Fund;
- 5% (~$108.12 million) shall be transferred into the State Retiree Benefits Trust Fund; and
- 5% (~$108.12 million) shall be transferred into the Commonwealth’s Pension Liability Fund.

If you have any questions concerning this letter, please contact Kazim P. Ozyurt, Director of the Office of Tax Analysis (ozyurtk@dor.state.ma.us).

Sincerely,

Geoffrey E. Snyder
Commissioner

cc: Secretary Michael J. Heffernan, Executive Office for Administration and Finance
The Honorable Michael J. Rodrigues, Chair, Senate Committee on Ways and Means
The Honorable Aaron Michlewitz, Chair, House Committee on Ways and Means