



Geoffrey E. Snyder
Commissioner

The Commonwealth of Massachusetts
Department of Revenue
Office of the Commissioner
P.O. Box 9550
Boston, MA 02114-9550

January 21, 2021

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 January 2021, the seventh month of fiscal year 2021. The attached table shows January 2021 month-to-date tax revenue collections through January 15, 2021, along with changes from the equivalent period in January 2020.

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.

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

Context for January Revenues

January is a significant month for revenues because many personal income taxpayers are required to make quarterly estimated payments. January generally produces about 10.2% of annual revenue, making it the fourth largest revenue month of the year.

Highlights

Total Tax collections for the month-to-date period were \$1.539 billion, up \$313 million or 25.5% versus the same period in January 2020.

- **Income Taxes** totaled \$1.234 billion, up \$223 million or 22.1% versus the same period in January 2020.
- **Sales & Use Taxes** were \$128 million, up \$36 million or 39.5% versus the same period in January 2020.
- **Corporate & Business Taxes** were \$65 million, up \$13 million or 25.5% versus the same period in January 2020.
- **Other Taxes** totaled \$112 million, up \$40 million or 54.6% versus the same period in January 2020.

Detail

Total Income Tax of \$1.234 billion for mid-month January is comprised of the following:

- **Withholding** of \$762 million, up \$122 million from mid-month January 2020.
- **Estimated Payments** of \$451 million, up \$95 million from mid-month January 2020.
- **Returns/Bills** of \$30 million, up \$9 million from mid-month January 2020.
- **Refunds** of \$10 million, up \$3 million from mid-month January 2020. Because refunds are outflows, this represents a negative variance from the prior year.

Sales & Use Tax collections of \$128 million for the January month-to-date period are \$36 million more than the same period in January 2020. Typically, only a small proportion of expected regular sales and meals tax remittances are received by the mid-month date. The bulk of these payments are received on or after the due date, which is generally the 20th of the month.

The \$128 million in month-to-date sales and use tax collections is comprised of the following:

- \$75 million in regular sales tax collections, up \$32 million from mid-month January 2020.
- \$13 million in meals tax revenues, virtually equal to mid-month January 2020.
- \$40 million in motor vehicle sales tax revenues, up \$4 million from mid-month January 2020.

Corporate & Business tax revenues were \$65 million, up \$13 million from mid-month January 2020.

Other Taxes includes a number of tax categories such as motor fuels, cigarettes, estate taxes, room occupancy and deeds. All other tax revenues totaled \$112 million, which is \$40 million more than mid-month January 2020.

Collections are usually weighted to the end of the month; therefore, we do not use the mid-month figures to project full-month revenue. Comparisons to prior-year periods are unreliable because of normal fluctuations and calendar differences in the short 15-day window of incremental data.

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 Policy Analysis (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



Geoffrey E. Snyder
Commissioner

The Commonwealth of Massachusetts
Department of Revenue
Office of the Commissioner
P.O. Box 9550
Boston, MA 02114-9550

Mid-Month Tax Collection Report for January 2021 (in \$ Millions)
Tax Collections as of January 15, 2021, Compared to Same Collection Period in FY2020

	January (Through January 15th)			FY21 YTD (Through January 15th)		
	01/2021 MTD Actual Collections	01/2021 MTD v. 01/2020 MTD \$ Fav/(Unfav)	01/2021 MTD v. 01/2020 MTD % Fav/(Unfav)	01/2021 YTD Actual Collections	01/2021 YTD v. 01/2020 YTD \$ Fav/(Unfav)	01/2021 YTD v. 01/2020 YTD % Fav/(Unfav)
Income						
Income Withholding	762	122	+19.1%	7,719	415	+5.7%
Income Est. Payments	451	95	+26.7%	1,284	4	+0.3%
Income Returns/Bills	30	9	+45.5%	389	17	+4.7%
Income Refunds Net (outflow)	(10)	(3)	-48.3%	(237)	27	+10.2%
Subtotal Income	1,234	223	+22.1%	9,155	463	+5.3%
Sales & Use						
Sales - Regular	75	32	+75.7%	2,744	231	+9.2%
Sales - Meals	13	(0)	-0.4%	468	(213)	-31.3%
Sales - Motor Vehicles	40	4	+11.1%	524	43	+8.9%
Subtotal Sales & Use	128	36	+39.5%	3,736	61	+1.7%
Corporate & Business - Total	65	13	+25.5%	1,641	329	+25.0%
All Other	112	40	+54.6%	1,316	(165)	-11.1%
Total Tax Collections	1,539	313	+25.5%	15,849	688	+4.5%

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.