



GEOFFREY E. SNYDER
COMMISSIONER

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

January 19, 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 January 2023, the seventh month of fiscal year 2023. The attached table shows January 2023 month-to-date tax revenue collections through January 13, 2023, along with changes from the equivalent period in January 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 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 \$1.470 billion, virtually equal to the collections during the same period in January 2022. The month-to-date decreases in income tax withholding, non-withholding income tax, and “all other” taxes are offset by increases in corporate and business tax and sales tax.

- **Income Taxes** totaled \$1.217 billion, down \$68 million or 5.3% versus the same period in January 2022.
- **Sales & Use Taxes** totaled \$133 million, up \$47 million or 54.7% versus the same period in January 2022.
- **Corporate & Business Taxes** totaled \$79 million, up \$57 million or 258.7% versus the same period in January 2022.
- **Other Taxes** totaled \$42 million, down \$36 million or 46.1% versus the same period in January 2022.

Details

Total Income Tax of \$1.217 billion for mid-month January is comprised of the following:

- **Withholding** of \$828 million, down \$54 million versus the same period in January 2022.
- **Estimated Payments** of \$355 million, down \$11 million versus the same period in January 2022.
- **Returns/Bills** of \$48 million, up \$6 million versus the same period in January 2022.
- **Refunds** of \$15 million, up \$10 million (unfavorable) versus the same period in January 2022.

Sales & Use Tax of \$133 million, up \$47 million versus the same period in January 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 \$133 million is comprised of the following:

- **Regular sales** tax of \$64 million, up \$22 million versus the same period in January 2022.
- **Meals** tax of \$24 million, up \$10 million versus the same period in January 2022.

- **Motor vehicle** sales tax of \$45 million, up \$15 million versus the same period in January 2022.

Corporate & Business Tax of \$79 million, up \$57 million versus the same period in January 2022. The month-to-date increase is mostly due to increases in corporate and business estimated and return payments and a decrease in refunds.

Other Taxes of \$42 million, down \$36 million versus the same period in January 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', with a stylized flourish at the end.

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 Brendan P. Crighton, Senate Vice-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 January 2023 (in \$ Millions)

Tax Collections as of January 13, 2023, Compared to Same Collection Period in FY2022

	January (Through January 13th) (\$ Millions)			FY2023 YTD (Through January 13th) (\$ Millions)		
	01/2023 MTD Actual Collections	01/2023 MTD v. 01/2022 MTD \$ Fav/(Unfav)	01/2023 MTD v. 01/2022 MTD % Fav/(Unfav)	01/2023 YTD Actual Collections	01/2023 YTD v. 01/2022 YTD \$ Fav/(Unfav)	01/2023 YTD v. 01/2022 YTD % Fav/(Unfav)
Income						
Income Withholding	828	(54)	-6.1%	8,846	315	+3.7%
Income Est. Payments	355	(11)	-3.0%	1,989	(336)	-14.5%
Income Returns/Bills	48	6	+15.0%	882	243	+37.9%
Income Refunds Net (outflow)	(15)	(10)	-207.6%	(829)	(528)	-175.3%
Subtotal Income	1,217	(68)	-5.3%	10,888	(306)	-2.7%
Sales & Use						
Sales - Regular	64	22	+52.9%	3,438	263	+8.3%
Sales - Meals	24	10	+68.5%	795	79	+11.0%
Sales - Motor Vehicles	45	15	+50.8%	624	56	+9.8%
Subtotal Sales & Use	133	47	+54.7%	4,858	398	+8.9%
Corporate & Business - Total	79	57	+258.7%	2,006	(32)	-1.6%
All Other	42	(36)	-46.1%	1,508	(116)	-7.2%
Total Tax Collections	1,470	(0.4)	-0.03%	19,260	(57)	-0.3%

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.