



MICHAEL J. HEFFERNAN
COMMISSIONER

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

July 21, 2016

The Honorable Brian S. Dempsey, Chair
House Committee on Ways and Means
State House
Room 243
Boston, MA 02133

The Honorable Todd M. Smola, Representative
House Committee on Ways and Means
State House
Room 124
Boston, MA 02133

The Honorable Karen E. Spilka, Chair
Senate Committee on Ways and Means
State House
Room 212
Boston, MA 02133

The Honorable Viriato M. deMacedo, Senator
Senate Committee on Ways and Means
State House
Room 70
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 July 2016. The attached table shows July 2016 month-to-date and Fiscal Year 2017 year-to-date tax revenue collections through July 15, 2016, along with changes from the same collection period in July 2015.

Highlights:

Please note that 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. It would not be advisable to use this data to predict trends.

- Month-to-date **Total Tax Collections** were \$661 million, up \$103 million from the same period last July.

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

- Month-to-date **Income Taxes** totaled \$486 million, up \$38 million from the same period last July.
- Month-to-date **Sales & Use Taxes** collections were \$101 million, up \$37 million from the same period last July.
- Month-to-date **Corporate & Business Taxes** total \$40 million, up \$19 million from the same period last July.

Details:

July is among the smaller tax collection months, as there are no quarterly estimated payments due for most businesses and individuals, with the exception of corporations in the retail industry whose quarterly estimated payments are generally due in January, April, July and October.

The Total Tax Collections of \$661 million at mid-month July 2016 is \$103 million higher than the same period last year. At a more detailed level:

Income Taxes totaled \$486 million, which is \$38 million more than in the same period last year. Within this category:

- Income Withholding at \$460 million and \$36 million more than mid-month July 2015, constitutes the overwhelming proportion of the dollars collected and of the increase over prior year.
- Estimated Payments is the one category in which the mid-month July 2016 is lower than prior year. Collections were \$11 million in the month-to-date period, which is \$2 million less than the same period last year.
- Income Returns/Bills at \$16 million is \$4 million more than the equivalent mid-month period in 2015.
- Income Refunds are extremely small in the period.

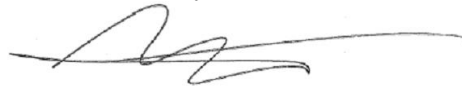
Sales & Use Tax collections of \$101 million comprise \$53 million in Regular Sales, \$14 million in Meals, and \$34 million in Motor Vehicles. As the detailed exhibit shows, each of these categories is positive versus mid-month July 2015. While positive for this brief period, it is too early to project a trend from these figures.

Month-to-date Corporate & Business Tax collections totaled \$40 million, up \$19 million from the same mid-month period in July 2015. This represents an increase over the prior year, but the actual dollar amounts are relatively small and may not represent a trend.

All Other Taxes, which includes motor fuel and cigarette taxes among its larger components, were \$34 million for the July month-to-date period and \$8 million above the same period in 2015.

If you have any questions concerning this report, please contact either me (617-626-2201) or Kazim P. Ozyurt, Director of the Office of Tax Policy Analysis (617-626-2100).

Sincerely,



Michael J. Heffernan
Commissioner

Attachment

Cc: Kristen Lepore, Secretary of Administration and Finance
Representative Robert A. DeLeo, House Speaker
Senator Stanley C. Rosenberg, Senate President
Jay R. Kaufman, House Chair, Joint Committee on Revenue
Senator Michael J. Rodrigues, 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

Mid-Month Tax Collection Report for July 2016 (in \$ Millions)

Tax Collections as of July 15, 2016, Compared to Same Collection Period in FY2016

	----- Month of July -----			----- FY17 Year-to-Date -----		
	07/16 MTD Collections	07/16 MTD v. 07/15 MTD \$ Change	07/16 MTD v. 07/15 MTD % Change	07/16 FY17 YTD Collections	07/16 FY17 YTD \$ Change	07/16 FY17 YTD % Change
Income - Total	486	38	8.5%	486	38	8.5%
Income Withholding	460	36	8.4%	460	36	8.4%
Income Est. Payments (Cash)	11	(2)	(18.7%)	11	(2)	(18.7%)
Income Returns/Bills	16	4	39.7%	16	4	39.7%
Income Refunds (Cash)	1	1	112.3%	1	1	112.3%
Sales & Use - Total	101	37	58.0%	101	37	58.0%
Sales - Regular	53	27	106.9%	53	27	106.9%
Sales - Meals	14	7	87.6%	14	7	87.6%
Sales - Motor Vehicles	34	3	9.9%	34	3	9.9%
Corporate & Business - Total	40	19	96.7%	40	19	96.7%
All Other	34	8	31.2%	34	8	31.2%
Total Tax Collections	661	103	18.4%	661	103	18.4%

Note: Detail may not add to total due to rounding and other technical factors.