



GEOFFREY E. SNYDER
COMMISSIONER

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

July 20, 2022

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 July 2022, the first month of fiscal year 2023. The attached table shows July 2022 month-to-date tax revenue collections through July 15, 2022, along with changes from the equivalent period in July 2021.

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

Revenue collections are uneven and usually weighted toward month-end, and 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 July Revenues

July is typically one of the smaller months for revenue collection, because neither individual nor business taxpayers make significant estimated payments during the month. Historically, roughly 6.7% of annual revenue, on average, has been received during July.

Highlights

Total Tax collections for the month-to-date period were \$898 million, down \$30 million or 3.2% versus the same period in July 2021. The month-to-date decrease is mostly due to decreases in corporate and business tax and all other tax, partially offset by increases in withholding, income estimated and returns payments, and sales tax.

- **Income Taxes** totaled \$658 million, up \$49 million or 8.0% versus the same period in July 2021.
- **Sales & Use Taxes** totaled \$115 million, up \$12 million or 11.2% versus the same period in July 2021.
- **Corporate & Business Taxes** totaled \$66 million, down \$69 million or 50.9% versus the same period in July 2021.
- **Other Taxes** totaled \$59 million, down \$22 million or 26.6% versus the same period in July 2021.

Details

Total Income Tax of \$658 million for mid-month July is comprised of the following:

- **Withholding** of \$598 million, up \$32 million versus the same period in July 2021.
- **Estimated Payments** of \$34 million, up \$10 million versus the same period in July 2021.
- **Returns/Bills** of \$28 million, up \$7 million versus the same period in July 2021.
- **Refunds** of \$2 million, virtually equal to the same period in July 2021.

Sales & Use Tax of \$115 million, up \$12 million versus the same period in July 2021. 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 \$115 million is comprised of the following:

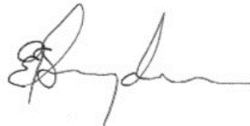
- \$66 million in regular sales tax collections, up \$6 million versus the same period in July 2021.
- \$18 million in meals tax collections, up \$4 million versus the same period in July 2021.
- \$31 million in motor vehicle sales tax collections, up \$1 million versus the same period in July 2021.

Corporate & Business Tax of \$66 million, down \$69 million versus the same period in July 2021. The month-to-date decrease mostly reflects decreases in corporate and business estimated and return payments.

Other Taxes of \$59 million, down \$22 million versus the same period in July 2021, includes a number of tax categories such as motor fuels, cigarettes, estate taxes, room occupancy, deeds, and others.

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', written in a cursive style.

Geoffrey E. Snyder
Commissioner

Attachment: 1

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 E. Tarr, Senate Minority Leader
Deborah B. Goldberg, Treasurer and Receiver General

Mid-Month Tax Collection Report for July 2022 (in \$ Millions)

Tax Collections as of July 15, 2022, Compared to Same Collection Period in FY2022

	July (Through July 15th) (\$Millions)			FY23 YTD (Through July 15th) (\$Millions)		
	07/2022 MTD Actual Collections	07/2022 MTD v. 07/2021 MTD \$ Fav/(Unfav)	07/2022 MTD v. 07/2021 MTD % Fav/(Unfav)	07/2022 YTD Actual Collections	07/2022 YTD v. 07/2021 YTD \$ Fav/(Unfav)	07/2022 YTD v. 07/2021 YTD % Fav/(Unfav)
Income						
Income Withholding	598	32	+5.6%	598	32	+5.6%
Income Est. Payments	34	10	+40.7%	34	10	+40.7%
Income Returns/Bills	28	7	+34.6%	28	7	+34.6%
Income Refunds Net (outflow)	(2)	0	+6.0%	(2)	0	+6.0%
Subtotal Income	658	49	+8.0%	658	49	+8.0%
Sales & Use						
Sales - Regular	66	6	+10.3%	66	6	+10.3%
Sales - Meals	18	4	+30.9%	18	4	+30.9%
Sales - Motor Vehicles	31	1	+4.1%	31	1	+4.1%
Subtotal Sales & Use	115	12	+11.2%	115	12	+11.2%
Corporate & Business - Total	66	(69)	-50.9%	66	(69)	-50.9%
All Other	59	(22)	-26.6%	59	(22)	-26.6%
Total Tax Collections	898	(30)	-3.2%	898	(30)	-3.2%

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.