

AMY PITTER
COMMISSIONER

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

July 18, 2013

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

The Honorable Viriato Manuel deMacedo, Representative
House Committee on Ways and Means
State House
Room 124
Boston, MA 02133

The Honorable Stephen M. Brewer, Chair
Senate Committee on Ways and Means
State House
Room 212
Boston, MA 02133

The Honorable Michael R. Knapik, Senator
Senate Committee on Ways and Means
State House
Room 419
Boston, MA 02133

Honorable Chairmen and Ranking Minority Members of the Ways and Means Committees:

Pursuant to Section 6 of Chapter 14 of the General Laws¹, the Department of Revenue hereby submits its mid-month tax revenue report for the month of July 2013. The attached table shows July 2013 month-to-date and FY2014 year-to-date tax revenue collections through July 15, 2013, along with the dollar and percentage changes from the same collection period in July 2012. Also shown are the percentage growth amounts for the full month of July 2013 and for FY2014 year-to-date through the end of July 2013 that were assumed in the benchmarks corresponding to the FY2014 General Appropriation Act tax revenue estimate of \$22.452 billion. (The \$22.452 billion estimate reflects the FY2014 consensus tax estimate of \$22.334 billion adjusted for the impact of three changes affecting revenues: Amazon tax agreement, delayed FAS109 deductions and enhanced DOR tax enforcements.)

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

July is a relatively small tax collection month, 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. Through July 15, 2013, month-to-date tax collections totaled \$539 million, down \$6 million from the same period in July 2012, with the full month July benchmark (based on the \$22.452 billion FY2014 full year tax estimate) projecting total tax revenues of \$1.510 billion, an increase of \$56 million from July 2012 (July benchmarks assume that revenues would increase by about \$9 to \$12 million because of the fact that we have one more deposit day this July than we did a year ago). The month-to-date decline through July 15th was primarily the result of lower corporate and business tax collections and cash income estimated payments compared to the same deposit day collections in July 2012. It is too early in the month for month-to-date collections to be meaningful as more than 60 to 65% of July collections are typically remitted after the 15th of the month.

Month-to-date income tax collections through July 15, 2013 totaled \$404 million, up \$11 million, or 2.7% from the same period in July 2012, compared to the benchmark estimate that projects an increase of \$29 million for the full month. Month-to-date withholding taxes through July 15, 2013 totaled \$377 million, up \$15 million from the same period in July 2012, compared to the benchmark estimate that projects a withholding growth of \$41 million for the full month. Month-to-date income cash-estimated payments through July 15, 2013 totaled \$14 million, down \$12 million from the same period in July 2012, compared to the benchmark estimate that projects a decline of \$14 million for the full month.

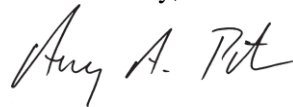
As of July 15, 2013, month-to-date corporate and business tax collections totaled \$38 million, down \$11 million from the same period in July 2012.

July sales tax is projected to total \$481 million, an increase of \$20 million from July 2012. July 15th was too early in the month for sales tax trends to be meaningful, as monthly sales tax payments (other than those for motor vehicle sales tax) are not due until July 22nd (the usual due date of 20th falls on a weekend this year). Through July 15th, month-to-date sales tax collections totaled \$69 million, down \$2 million from the same period in July 2012.

Monthly motor fuels and rooms tax payments are also due on July 22nd (the usual due date of 20th falls on a weekend this year). There may be differences in the due dates for certain tax payments from one fiscal year to the next (e.g., in withholding payments or the timing of refund cycles) which complicate month-to-date comparisons to the prior year. As a result of these factors, revenues received through July 15th as reported in the attached table may not be indicative of what the final results for the full month will be. Specifically, they do not necessarily represent one-half of the revenues to be received in the full month and the month-to-date growth rates compared to July 2012 could change significantly by the end of this month. Any variances from the monthly benchmark at this point in the month should not be relied on as an indicator of what total final revenues for the month will be, compared to the full month benchmarks.

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

Sincerely,



Amy Pitter
Commissioner

Attachment

Cc: Glen Shor, Secretary of Administration and Finance
Representative Robert A. DeLeo, House Speaker
Senator Therese Murray, Senate President
Representative 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
Steven Grossman, Treasurer and Receiver General

Mid-Month Tax Collection Report for July 2013 (in \$ Millions)

Tax Collections as of July 15, 2013, Compared to Same Collection Period in FY2013 and to the FY2014 Tax Revenue Estimate of \$22.452 Billion

	----- Month of July -----						----- FY14 Year-to-Date -----					
	07/13 MTD Collections	07/13 MTD v. 07/12 MTD \$ Change	07/13 MTD v. 07/12 MTD % Change	07/13 Full Month Benchmark (*)	% Growth from 07/12 Assumed in Monthly Benchmark	\$ Needed to Reach 07/13 Full Month Benchmark (*)	07/13 FY14 YTD Collections	07/13 FY14 YTD \$ Change	07/13 FY14 YTD % Change	FY14 YTD Benchmark (*)(**)	% Growth from 07/12 Assumed in FY14 YTD Benchmark	\$ Needed to Reach FY14 YTD Benchmark (*)(**)
Income - Total	404	11	2.7%	814	3.6%	411	404	11	2.7%	814	3.6%	411
Income Withholding	377	15	4.0%	781	5.6%	403	377	15	4.0%	781	5.6%	403
Income Est. Payments (Cash)	14	(12)	(46.8%)	19	(42.2%)	5	14	(12)	(46.8%)	19	(42.2%)	5
Income Returns/Bills	13	8	147.9%	21	5.7%	8	13	8	147.9%	21	5.7%	8
Income Refunds (Cash)	0	(0.1)	(15.5%)	9	(0.0%)	8	0	(0)	(15.5%)	9	0.0%	8
Sales & Use - Total	69	(2)	(2.5%)	481	4.4%	412	69	(2)	(2.5%)	481	4.4%	412
Sales - Regular	28	(5)	(14.4%)	331	3.2%	303	28	(5)	(14.4%)	331	3.2%	303
Sales - Meals	10	(1)	(5.1%)	88	5.6%	77	10	(1)	(5.1%)	88	5.6%	77
Sales - Motor Vehicles	31	3	12.3%	63	9.0%	32	31	3	12.3%	63	9.0%	32
Corporate & Business - Total	38	(11)	(22.1%)	73	10.3%	35	38	(11)	(22.1%)	73	10.3%	35
All Other	29	(4)	(11.6%)	141	0.5%	112	29	(4)	(11.6%)	141	0.5%	112
Total Tax Collections	539	(6)	(1.1%)	1,510	3.9%	971	539	(6)	(1.1%)	1,510	3.9%	971

(*) Benchmarks are based on the FY14 tax revenue estimate of \$22.452 billion (\$22.334B Consensus estimate adjusted for subsequent tax law changes)

(**) Year-to-date benchmarks are year-to-date full month benchmark totals (i.e., July through July full month totals)

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