



Christopher C. Harding  
Commissioner

*The Commonwealth of Massachusetts*  
*Department of Revenue*  
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June 19, 2019

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 Viriato M. deMacedo, Ranking Member  
Senate Committee on Ways and Means  
State House  
Room 313-C  
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 Laws<sup>1</sup>, the Department of Revenue (DOR) hereby submits its mid-month tax revenue report for the month of June 2019, the final month of fiscal year 2019. The attached table shows June 2019 month-to-date tax revenue collections through June 14, 2019, along with changes from the equivalent period in June 2018.

Revenue collections are uneven and 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 should not be used to assess trends or project future revenues.

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

## Context for June revenues

Historically, June is a significant month for revenues, because both individual and business taxpayers make Estimated Payments during the month. In most years, the month of June has ranked #2 (behind only April) in the proportion of annual revenue received during the month.

## Highlights

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- **Total Tax** collections for the month-to-date period were \$1.375 billion, up \$127 million or 10.1% versus the same period in June 2018.
- **Income Taxes** totaled \$832 million, up \$144 million or 20.9% versus the same period in June 2018.
- **Sales & Use Tax** collections were \$101 million, up \$14 million or 15.9% versus the same period in June 2018.
- **Corporate & Business Taxes** were \$366 million, down \$2 million or 0.4% versus the same period in June 2018.
- **Other Taxes** totaled \$75 million, down \$30 million or 28.3% versus the same period in June 2018.

## Detail

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**Total Income Tax** of \$832 million for mid-month June comprises the following:

- **Withholding** of \$629 million, up \$119 million from mid-month June 2018.
- **Estimated Payments** of \$194 million, down \$2 million from mid-month June 2018.
- **Returns/Bills** of \$23 million, up \$3 million from mid-month June 2018.
- **Refunds** of \$14 million, down \$24 million from mid-month June 2018. Because refunds are an outflow, this represents a positive variance from the prior year.

**Sales & Use Tax** collections of \$101 million for the June month-to-date period are \$14 million or 15.9% more than the equivalent period last year. Only a small proportion of expected Regular Sales and Meals tax remittances, subcategories of Sales & Use Tax, are received by the mid-month date; the bulk of these payments are expected on or after the 20<sup>th</sup> of the month.

- \$49 million in Regular Sales Tax collections, up \$13 million from mid-month June 2018.
- \$14 million in Meals Tax revenues, up \$2 million from mid-month June 2018.
- \$39 million in Motor Vehicle Sales Tax revenues, show virtually no change from mid-month June 2018.

**Corporate & Business** tax revenues were \$366 million, down \$2 million from mid-month June 2018.

**All Other** includes a number of tax categories including motor fuels, cigarettes, estate taxes, and deeds. All other revenues totaled \$75 million, which is \$30 million less than the mid-month June 2018 figure.

Because collections are weighted to the end of the month, 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 14-day window of incremental data.

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,



Christopher C. Harding  
Commissioner

Attachment

cc: Michael J. Heffernan, Secretary of Administration and Finance  
Representative Robert A. DeLeo, 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

## Mid-Month Tax Collection Report for June 2019 (in \$ Millions)

Tax Collections as of June 14, 2019, Compared to Same Collection Period in FY2018

	June (Through June 14 <sup>th</sup> )			FY19 YTD (Through June 14 <sup>th</sup> )		
	06/2019 MTD Actual Collections	06/2019 MTD v. 06/2018 MTD \$ Fav/(Unfav)	06/2019 MTD v. 06/2018 MTD % Fav/(Unfav)	06/2019 YTD Actual Collections	06/2019 YTD v. 06/2018 YTD \$ Fav/(Unfav)	06/2019 YTD v. 06/2018 YTD % Fav/(Unfav)
<b>Income</b>						
Income Withholding	629	119	+23.4%	12,690	543	+4.5%
Income Est. Payments	194	(2)	-0.8%	2,119	(677)	-24.2%
Income Returns/Bills	23	3	+14.0%	3,045	935	+44.3%
Income Refunds Net (outflow)	(14)	24	+63.4%	(1,641)	75	+4.4%
<b>Subtotal Income</b>	<b>832</b>	<b>144</b>	<b>+20.9%</b>	<b>16,214</b>	<b>877</b>	<b>+5.7%</b>
<b>Sales &amp; Use</b>						
Sales - Regular	49	13	+34.9%	4,327	252	+6.2%
Sales - Meals	14	2	+13.6%	1,122	59	+5.5%
Sales - Motor Vehicles	39	(0)	-1.0%	834	31	+3.9%
<b>Subtotal Sales &amp; Use</b>	<b>101</b>	<b>14</b>	<b>+15.9%</b>	<b>6,282</b>	<b>342</b>	<b>+5.8%</b>
<b>Corporate &amp; Business - Total</b>	<b>366</b>	<b>(2)</b>	<b>-0.4%</b>	<b>3,062</b>	<b>614</b>	<b>+25.1%</b>
<b>All Other</b>	<b>75</b>	<b>(30)</b>	<b>-28.3%</b>	<b>2,327</b>	<b>165</b>	<b>+7.6%</b>
<b>Total Tax Collections</b>	<b>1,375</b>	<b>127</b>	<b>+10.1%</b>	<b>27,884</b>	<b>1,998</b>	<b>+7.7%</b>

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.