



Michael J. Heffernan
Commissioner

The Commonwealth of Massachusetts
Department of Revenue
Office of the Commissioner
P.O. Box 9550
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March 20, 2017

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 313C
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 March 2017. The attached table shows March 2017 month-to-date and Fiscal Year 2017 year-to-date tax revenue collections through March 15, 2017, along with changes from the same collection period in March 2016.

Context for March estimates

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.

March is a mid-size month for revenue collections, ranking #6 of the 12 months in each of the last eight years. The filing season for individual income taxes is well underway in March, which is reflected in the amount of refunds flowing out during the full-month period. Corporate and business tax payments are due in the month.

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

Highlights

- **Total Tax** collections for the month-to-date period were \$1.381 billion, up \$124 million or 9.8% versus the same period last year. On a fiscal year-to-date basis, Total Tax collections through March 15th were \$17.235 billion, which is \$429 million or 2.6% greater than the same period last year.
- **Income Taxes** totaled \$588 million, up \$125 million or 27.1% from the March 2016 mid-month figure. On a fiscal year-to-date basis, Income Taxes were \$9.739 billion, up \$301 million or 3.2% over the same period last year.
- **Sales & Use Tax** collections were \$95 million at mid-month, up \$19 million or 24.1% from the same period last March. For the fiscal year-to-date, Sales & Use Tax revenues were \$4.256 billion, up \$115 million or 2.8% over the same period last year.

Because Regular Sales and Meals Tax revenues are heavily weighted toward the second part of the month, the mid-month revenue figure is not predictive of the full month.

- **Corporate & Business Taxes** were \$654 million for the March month-to-date period, which is \$2 million or 0.3% more than the March 2016 month-to-date amount. For the fiscal year-to-date period, Corporate & Business Taxes were \$1.716 billion, which is \$42 million or 2.5% more than the same period last year.
- **Other Taxes** totaled \$43 million at March mid-month, which is below the 2016 figure by \$22 million or 34.0%. Fiscal year-to-date collections through March 15th were \$1.524 billion, which is \$30 million or 1.9% less than the same period in 2016.

Detail

Total Income Tax of \$588 million for mid-month March comprises the following:

- **Withholding** of \$611 million, up \$22 million from mid-month March 2016.
- **Estimated Payments** of \$6 million, down \$3 million versus the same period last year.
- **Returns/Bills** of \$22 million, which is \$23 million less than the same period last year.
- **Refunds** of \$52 million for March 2017 month-to-date, which is \$129 million less than the same period last year. The timing of refunds varies within the month and year-to-year. Our expectation is that an increase in refunds will reduce this variance in the coming weeks.

Sales & Use Tax collections of \$95 million for the March month-to-date period reflect \$40 million in Regular Sales, \$11 million in Meals, and \$44 million in Motor Vehicles. Only a small proportion of expected Regular Sales and Meals remittances are received by the mid-month date.

- The \$40 million in Regular Sales Tax collections is \$9 million more than the same month-to-date period in 2016.
- Meals Tax revenues of \$11 million month-to-date were slightly less than the March month-to-date period last year, by the amount of \$0.5 million.
- Vehicle Tax revenues of \$44 million for the March month-to-date period were above the 2016 figure by \$10 million.
- For the fiscal year-to-date period, total Sales & use Tax collections of \$4.256 billion are \$115 million or 2.8% higher than the same period in 2016.

Corporate & Business revenues were \$654 million for the month-to-date period, \$2 million more than mid-month March 2016. For the fiscal year-to-date period, Corporate & Business Revenues were \$1.716 billion, which is \$42 million more than the prior fiscal year-to-date.

Because collections are weighted to the end of the month, we do not use the mid-month figures to project full-month revenue. 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 D. Brady, 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

Tax Collection Report for March 2017 (in \$ millions)
Tax Collections as of March 15, 2017, Compared to Same Collection Period in FY2016

	Month of March			FY17 YTD		
	03/2017 MTD Actual Collections	03/2017 MTD v. 03/2016 MTD \$ Fav/(Unfav)	03/2017 MTD v. 03/2016 MTD % Fav/(Unfav)	03/2017 YTD Actual Collections	03/2017 YTD v. 03/2016 YTD \$ Fav/(Unfav)	03/2017 YTD v. 03/2016 YTD % Fav/(Unfav)
Income						
Income Withholding	611	22	+3.8%	8,537	326	+4.0%
Income Est. Payments	6	(3)	-30.2%	1,630	(107)	-6.1%
Income Returns/Bills	22	(23)	-50.8%	359	(38)	-9.6%
Income Refunds Net (outflow)	(52)	129	+71.3%	(787)	119	+13.2%
Subtotal Income	588	125	+27.1%	9,739	301	+3.2%
Sales & Use						
Sales - Regular	40	9	+30.1%	2,929	95	+3.4%
Sales - Meals	11	(0)	-4.3%	763	33	+4.5%
Sales - Motor Vehicles	44	10	+28.1%	564	(13)	-2.2%
Subtotal Sales & Use	95	19	+24.1%	4,256	115	+2.8%
Corporate & Business - Total	654	2	+0.3%	1,716	42	+2.5%
All Other	43	(22)	-34.0%	1,524	(30)	-1.9%
Total Tax Collections	1,381	124	+9.8%	17,235	429	+2.6%

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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.