



Christopher C. Harding
Commissioner

The Commonwealth of Massachusetts
Department of Revenue
Office of the Commissioner
P.O. Box 9550
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March 20, 2019

The Honorable Aaron Michlewitz, Chair
House Committee on Ways and Means
State House
Room 254
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 109-D
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 Laws¹, the Department of Revenue (DOR) hereby submits its mid-month tax revenue report for the month of March 2019, the ninth month of fiscal year 2019. The attached table shows March 2019 month-to-date tax revenue collections through March 15, 2019, along with changes from the equivalent period in March 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.

Context for March revenues

March is a mid-size month for revenue collections, ranking #6 of the twelve months in each of the last ten years. The tax filing season is well underway; historically, the amount sent out in refunds is substantially greater than payments with returns during March.

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

Highlights

- **Total Tax** collections for the month-to-date period were \$1.43 billion, up \$245 million or 20.7% versus the same period in March 2018.
- **Income Taxes** totaled \$494 million, up \$8 million or 1.7% versus the same period in March 2018.
- **Sales & Use Tax** collections were \$98 million, down \$3 million or 3.3% versus the same period in March 2018.
- **Corporate & Business Taxes** were \$774 million, up \$240 million versus the same period in March 2018.
- **Other Taxes** totaled \$60 million, showing almost no change from the same period in March 2018.

Detail

Total Income Tax of \$494 million for mid-month March comprises the following:

- **Withholding** of \$584 million, down \$51 million from mid-month March 2018.
- **Estimated Payments** of \$10 million, up \$3 million from mid-month March 2018.
- **Returns/Bills** of \$55 million, up \$18 million from mid-month March 2018.
- **Refunds** of \$154 million, down \$39 million from mid-month March 2018. Because refunds are an outflow, this represents a positive variance from the prior year.

Sales & Use Tax collections of \$98 million for the March month-to-date period are \$3 million or 3.3% less 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 20th of the month.

- \$47 million in Regular Sales Tax collections, down \$3 million from mid-month March 2018.
- \$14 million in Meals Tax revenues, up \$3 million from mid-month March 2018.
- \$37 million in Motor Vehicle Sales Tax revenues, down \$3 million from mid-month March 2018.

Corporate & Business tax revenues were \$774 million, up \$240 million from mid-month March 2018. March 15th was the due date for corporate & business estimated payments for the third quarter of the fiscal year.

All Other includes a number of tax categories including motor fuels, cigarettes, estate taxes, and deeds. All other revenues totaled \$60 million, which is virtually the same as the mid-month March 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 15-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 March 2019 (in \$ Millions)

Tax Collections as of March 15, 2019, Compared to Same Collection Period in FY2018

	March (Through March 15 th)			FY19 YTD (Through March 15 th)		
	03/2019 MTD Actual Collections	03/2019 MTD v. 03/2018 MTD \$ Fav/(Unfav)	03/2019 MTD v. 03/2018 MTD % Fav/(Unfav)	03/2019 YTD Actual Collections	03/2019 YTD v. 03/2018 YTD \$ Fav/(Unfav)	03/2019 YTD v. 03/2018 YTD % Fav/(Unfav)
Income						
Income Withholding	584	(51)	-8.0%	9,329	334	+3.7%
Income Est. Payments	10	3	+36.3%	1,591	(696)	-30.4%
Income Returns/Bills	55	18	+46.6%	472	39	+8.9%
Income Refunds Net (outflow)	(154)	39	+20.1%	(951)	56	+5.6%
Subtotal Income	494	8	+1.7%	10,441	(267)	-2.5%
Sales & Use						
Sales - Regular	47	(3)	-6.4%	3,202	159	+5.2%
Sales - Meals	14	3	+23.7%	836	43	+5.4%
Sales - Motor Vehicles	37	(3)	-6.9%	599	21	+3.7%
Subtotal Sales & Use	98	(3)	-3.3%	4,638	223	+5.1%
Corporate & Business - Total	774	240	+45.0%	2,106	474	+29.0%
All Other	60	(0)	-0.1%	1,759	184	+11.7%
Total Tax Collections	1,426	245	+20.7%	18,945	614	+3.3%

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.