



Geoffrey E. Snyder  
Commissioner

*The Commonwealth of Massachusetts*  
*Department of Revenue*  
*Office of the Commissioner*  
*P.O. Box 9550*  
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March 18, 2021

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 Laws<sup>1</sup>, the Department of Revenue (DOR) hereby submits its mid-month tax revenue report for the month of March 2021, the ninth month of fiscal year 2021. The attached table shows March 2021 month-to-date tax revenue collections through March 15, 2021, along with changes from the equivalent period in March 2020.

Revenue collections are uneven and usually 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 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 March Revenues

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Historically, March is a mid-size month for revenue collections, ranking #6 of the twelve months in eight of the last ten years. Many corporate and business taxpayers are required to make estimated payments during the month. The tax filing season is underway and March is typically a significant month for refund payments (outflows), which reduce total net revenue.

## Highlights

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**Total Tax collections for the month-to-date period were \$1.689 billion, up \$107 million or 6.7%** versus the same period in March 2020. The month-to-date increase is mostly due to increases in estate, withholding and corporate and business return payments.

- **Income Taxes** totaled \$682 million, up \$56 million or 9.0% versus the same period in March 2020.
- **Sales & Use Taxes** were \$113 million, up \$5 million versus the same period in March 2020.
- **Corporate & Business Taxes** were \$795 million, up \$13 million or 1.7% versus the same period in March 2020.
- **Other Taxes** totaled \$100 million, up \$32 million or 47.7% versus the same period in March 2020.

## Detail

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**Total Income Tax** of \$682 million for mid-month March is comprised of the following:

- **Withholding** of \$781 million, up \$45 million from mid-month March 2020.
- **Estimated Payments** of \$10 million, virtually the same as mid-month March 2020.
- **Returns/Bills** of \$63 million, up \$11 million from mid-month March 2020.
- **Refunds** of \$173 million, virtually the same as mid-month March 2020.
- **Sales & Use Tax** collections of \$113 million for the March month-to-date period are \$5 million more than the same period in March 2020. Typically, only a small proportion of expected regular sales and meals tax remittances are received by the mid-month date. The bulk of these payments are received on or after the due date, which is generally the 20<sup>th</sup> of the month.

The \$113 million in month-to-date sales and use tax collections is comprised of the following:

- \$59 million in regular sales tax collections, virtually the same as mid-month March 2020.
- \$10 million in meals tax revenues, down \$2 million from mid-month March 2020.
- \$44 million in motor vehicle sales tax revenues, up \$6 million from mid-month March 2020.

**Corporate & Business** tax revenues were \$795 million, up \$13 million from mid-month March 2020. The month-to-date increase reflects an increase in return payments partially offset by an increase in refunds and a decrease in estimated payments.

**Other Taxes** includes a number of tax categories such as motor fuels, cigarettes, estate taxes, room occupancy and deeds. All other tax revenues totaled \$100 million, which is \$32 million more than mid-month March 2020, mostly due to a large increase in estate tax.

Collections are usually weighted to the end of the month; therefore, 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 (snyderge@dor.state.ma.us) or Kazim P. Ozyurt, Director of the Office of Tax Policy Analysis (ozyurtk@dor.state.ma.us).

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Snyder', with a stylized flourish at the end.

Geoffrey E. Snyder  
Commissioner

Attachment

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



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**Mid-Month Tax Collection Report for March 2021 (in \$ Millions)**  
**Tax Collections as of March 15, 2021, Compared to Same Collection Period in FY2020**

	<b>March</b> <b>(Through March 15<sup>th</sup>)</b>			<b>FY21 YTD</b> <b>(Through March 15<sup>th</sup>)</b>		
	03/2021 MTD Actual Collections	03/2021 MTD v. 03/2020 MTD \$ Fav/(Unfav)	03/2021 MTD v. 03/2020 MTD % Fav/(Unfav)	03/2021 YTD Actual Collections	03/2021 YTD v. 03/2020 YTD \$ Fav/(Unfav)	03/2021 YTD v. 03/2020 YTD % Fav/(Unfav)
<b>Income</b>						
Income Withholding	781	45	+6.2%	10,415	539	+5.5%
Income Est. Payments	10	(0)	-2.7%	1,765	115	+7.0%
Income Returns/Bills	63	11	+21.7%	545	43	+8.6%
Income Refunds Net (outflow)	(173)	0	+0.0%	(746)	257	+25.7%
<b>Subtotal Income</b>	<b>682</b>	<b>56</b>	<b>+9.0%</b>	<b>11,979</b>	<b>955</b>	<b>+8.7%</b>
<b>Sales &amp; Use</b>						
Sales - Regular	59	0	+0.5%	3,707	274	+8.0%
Sales - Meals	10	(2)	-15.0%	595	(278)	-31.8%
Sales - Motor Vehicles	44	6	+16.4%	672	70	+11.7%
<b>Subtotal Sales &amp; Use</b>	<b>113</b>	<b>5</b>	<b>+4.4%</b>	<b>4,975</b>	<b>67</b>	<b>+1.4%</b>
<b>Corporate &amp; Business - Total</b>	<b>795</b>	<b>13</b>	<b>+1.7%</b>	<b>2,472</b>	<b>344</b>	<b>+16.1%</b>
<b>All Other</b>	<b>100</b>	<b>32</b>	<b>+47.7%</b>	<b>1,790</b>	<b>(135)</b>	<b>-7.0%</b>
<b>Total Tax Collections</b>	<b>1,689</b>	<b>107</b>	<b>+6.7%</b>	<b>21,216</b>	<b>1,230</b>	<b>+6.2%</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.