



GEOFFREY E. SNYDER
COMMISSIONER

The Commonwealth of Massachusetts
Department of Revenue
Office of the Commissioner
PO Box 7091
Boston, MA 02204-7091

March 20, 2023

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 Laws¹, the Department of Revenue (DOR) hereby submits its mid-month tax revenue report for the month of March 2023, the ninth month of fiscal year 2023. The attached table shows March 2023 month-to-date tax revenue collections through March 15, 2023, along with changes from the equivalent period in March 2022.

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

Revenue collections are uneven and usually weighted toward month-end. The brief period covered in the mid-month report does not provide sufficient data for comparison to prior years. Therefore, mid-month figures should not be used to assess trends or project future revenues.

Context for March Revenues

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

Total Tax collections for the month-to-date period were \$2.146 billion, \$13.0 million or 0.6% more than the collections during the same period in March 2022. The month-to-date increases in corporate and business tax and sales tax were partially offset by a decrease in non-withholding income tax.

- **Income Taxes** totaled \$970 million, down \$28 million or 2.8% versus the same period in March 2022.
- **Sales & Use Taxes** totaled \$153 million, up \$14 million or 10.3% versus the same period in March 2022.
- **Corporate & Business Taxes** totaled \$961 million, up \$28 million or 3.0% versus the same period in March 2022.
- **Other Taxes** totaled \$63 million, down \$2 million or 2.9% versus the same period in March 2022.

Details

Total Income Tax of \$970 million for mid-month March is comprised of the following:

- **Withholding** of \$857 million, down \$3 million versus the same period in March 2022.
- **Estimated Payments** of \$56 million, up \$7 million versus the same period in March 2022.
- **Returns/Bills** of \$253 million, up \$4 million versus the same period in March 2022.
- **Refunds** of \$197 million, up \$35 million (unfavorable) versus the same period in March 2022.

Sales & Use Tax of \$153 million, up \$14 million versus the same period in March 2022. Typically, only a small proportion of expected regular sales and meals tax remittances is received by the mid-month date. The month-to-date sales and use tax of \$153 million is comprised of the following:

- **Regular sales tax** of \$73 million, up \$12 million versus the same period in March 2022.
- **Meals tax** of \$31 million, up \$4 million versus the same period in March 2022.

- **Motor vehicle** sales tax of \$49 million, down \$2 million versus the same period in March 2022.

Corporate & Business Tax of \$961 million, up \$28 million versus the same period in March 2022. The month-to-date increase is mostly due to an increase in corporate and business estimated payments and favorable refunds, partially offset by a decrease in return payments.

Other Taxes of \$63 million, down \$2 million versus the same period in March 2022, includes a number of tax categories such as motor fuels, cigarette, estate tax, room occupancy, and deeds.

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 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: 1

cc: Deborah B. Goldberg, Treasurer and Receiver General
Matthew Gorzkowicz, Secretary of Administration and Finance
Senator Karen E. Spilka, Senate President
Representative Ronald Mariano, House Speaker
Senator Bruce E. Tarr, Senate Minority Leader
Representative Bradley H. Jones, Jr., House Minority Leader
Senator Susan L Moran, Senate Chair, Joint Committee on Revenue
Representative Mark J. Cusack, House Chair, Joint Committee on Revenue

Mid-Month Tax Collection Report for March 2023 (in \$ Millions)

Tax Collections as of March 15, 2023, Compared to Same Collection Period in FY2022

	March (Through March 15th) (\$ Millions)			FY2023 YTD (Through March 15th) (\$ Millions)		
	03/2023 MTD Actual Collections	03/2023 MTD v. 03/2022 MTD \$ Fav/(Unfav)	03/2023 MTD v. 03/2022 MTD % Fav/(Unfav)	03/2023 YTD Actual Collections	03/2023 YTD v. 03/2022 YTD \$ Fav/(Unfav)	03/2023 YTD v. 03/2022 YTD % Fav/(Unfav)
Income						
Income Withholding	857	(3)	-0.4%	11,748	380	+3.3%
Income Est. Payments	56	7	+13.7%	2,651	(554)	-17.3%
Income Returns/Bills	253	4	+1.5%	1,279	232	+22.2%
Income Refunds Net (outflow)	(197)	(35)	-21.7%	(1,459)	(578)	-65.7%
Subtotal Income	970	(28)	-2.8%	14,220	(520)	-3.5%
Sales & Use						
Sales - Regular	73	12	+19.5%	4,598	332	+7.8%
Sales - Meals	31	4	+15.7%	1,024	119	+13.2%
Sales - Motor Vehicles	49	(2)	-3.5%	811	73	+9.9%
Subtotal Sales & Use	153	14	+10.3%	6,432	524	+8.9%
Corporate & Business - Total	961	28	+3.0%	3,122	40	+1.3%
All Other	63	(2)	-2.9%	2,025	(67)	-3.2%
Total Tax Collections	2,146	13	+0.6%	25,798	(22)	-0.1%

DOR advises against using this data to predict trends. At the time of the mid-month report, there is insufficient tax collection data to provide a reliable estimate of full-month results.