



Geoffrey E. Snyder  
Commissioner

*The Commonwealth of Massachusetts*  
*Department of Revenue*  
*Office of the Commissioner*  
*P.O. Box 9550*  
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May 19, 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 May 2021, the eleventh month of fiscal year 2021. The attached table shows May 2021 month-to-date tax revenue collections through May 14, 2021, along with changes from the equivalent period in May 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 May Revenues

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Historically, May is a mid-size month for collections, ranking seventh of twelve months in eight of the last ten years. Estimated payments from individuals and businesses are not significant in May. The net figure for revenue collections in May is influenced by the individual tax filing season, which generates both inflows and refund outflows during the month.

However, because of measures enacted this year and last year designed to mitigate the impact of COVID-19, historical comparisons between May month-to-date 2021 results and prior periods should be used with caution. Examples of such measures include, but are not limited to:

- The extension of the income tax filing and payment deadline from April 15th, 2020 to July 15th, 2020.
- The late start to the 2021 filing season.
- The extension of the income tax filing and payment deadline from April 15th, 2021 to May 17th, 2021.
- The extension of the payment deadline for certain regular sales tax, meals tax and room occupancy excise payments to October 30, 2021.

## Highlights

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**Total Tax collections for the month-to-date period were \$1.190 billion, up \$519 million or 77.5%** versus the same period in May 2020. The month-to-date increase is mostly due to increases in withholding, income returns payments, regular sales tax, and sales tax on motor vehicles, partly offset by an increase in income tax refunds.

- **Income Taxes** totaled \$970 million, up \$446 million or 85.0% versus the same period in May 2020.
- **Sales & Use Taxes** were \$108 million, up \$53 million or 95.2% versus the same period in May 2020.
- **Corporate & Business Taxes** were \$35 million, up \$18 million or 105.9% versus the same period in May 2020.
- **Other Taxes** totaled \$76 million, up \$3 million or 3.8% versus the same period in May 2020.

## Detail

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

- **Withholding** of \$614 million, up \$97 million from mid-month May 2020.
- **Estimated Payments** of \$22 million, up \$10 million from mid-month May 2020.
- **Returns/Bills** of \$448 million, up \$414 million from mid-month May 2020.
- **Refunds** of \$114 million, up \$75 million from mid-month May 2020.

- **Sales & Use Tax** collections of \$108 million for the May month-to-date period are \$53 million more than the same period in May 2020. Typically, only a small proportion of expected regular sales and meals tax remittances are received by the mid-month date. The \$108 million in month-to-date sales and use tax collections is comprised of the following:
  - \$48 million in regular sales tax collections, up \$21 million from mid-month May 2020.
  - \$11 million in meals tax revenues, up \$4 million from mid-month May 2020.
  - \$49 million in motor vehicle sales tax revenues, up \$28 million from mid-month May 2020.


**Corporate & Business** tax revenues were \$35 million, up \$18 million from mid-month May 2020. The month-to-date increase largely reflects an increase in return payments and estimated payments and a decrease in refunds.

**Other Taxes** includes a number of tax categories such as motor fuels, cigarettes, estate taxes, room occupancy and deeds. All other tax revenues totaled \$76 million, which is \$3 million more than mid-month May 2020.

Collections are usually weighted to the end of the month; therefore, the Department does 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 Analysis (ozyurtk@dor.state.ma.us).

Sincerely,



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 May 2021 (in \$ Millions)

Tax Collections as of May 14, 2021, Compared to Same Collection Period in FY2020

	May (Through May 14 <sup>th</sup> )			FY21 YTD (Through May 14 <sup>th</sup> )		
	05/2021 MTD Actual Collections	05/2021 MTD v. 05/2020 MTD \$ Fav/(Unfav)	05/2021 MTD v. 05/2020 MTD % Fav/(Unfav)	05/2021 YTD Actual Collections	05/2021 YTD v. 05/2020 YTD \$ Fav/(Unfav)	05/2021 YTD v. 05/2020 YTD % Fav/(Unfav)
<b>Income</b>						
Income Withholding	614	97	+18.8%	12,967	929	+7.7%
Income Est. Payments	22	10	+77.4%	2,284	544	+31.3%
Income Returns/Bills	448	414	+1194.7%	1,870	1,086	+138.4%
Income Refunds Net (outflow)	(114)	(75)	-189.3%	(1,412)	16	+1.1%
<b>Subtotal Income</b>	<b>970</b>	<b>446</b>	<b>+85.0%</b>	<b>15,709</b>	<b>2,574</b>	<b>+19.6%</b>
<b>Sales &amp; Use</b>						
Sales - Regular	48	21	+75.8%	4,830	666	+16.0%
Sales - Meals	11	4	+55.4%	759	(222)	-22.6%
Sales - Motor Vehicles	49	28	+133.6%	874	175	+25.0%
<b>Subtotal Sales &amp; Use</b>	<b>108</b>	<b>53</b>	<b>+95.2%</b>	<b>6,463</b>	<b>619</b>	<b>+10.6%</b>
<b>Corporate &amp; Business - Total</b>	<b>35</b>	<b>18</b>	<b>+105.9%</b>	<b>3,281</b>	<b>826</b>	<b>+33.6%</b>
<b>All Other</b>	<b>76</b>	<b>3</b>	<b>+3.8%</b>	<b>2,186</b>	<b>(74)</b>	<b>-3.3%</b>
<b>Total Tax Collections</b>	<b>1,190</b>	<b>519</b>	<b>+77.5%</b>	<b>27,639</b>	<b>3,945</b>	<b>+16.7%</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.