



Christopher C. Harding  
Commissioner

*The Commonwealth of Massachusetts*  
*Department of Revenue*  
*Office of the Commissioner*  
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November 20, 2019

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 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 Laws<sup>1</sup>, the Department of Revenue (DOR) hereby submits its mid-month tax revenue report for the month of November 2019, the fifth month of fiscal year 2020. The attached table shows November 2019 month-to-date tax revenue collections through November 15, 2019, along with changes from the equivalent period in November 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.**

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

## Context for November revenues

On average for the past several years, roughly 6.5% of annual revenue has been received during November. This places it among the smaller revenue months, along with July, August, October, and February. There are no significant Estimated Payments scheduled for either individual or business taxpayers during November.

## Highlights

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- **Total Tax** collections for the month-to-date period were \$866 million, up \$72 million or 9.0% versus the same period in November 2018.
- **Income Taxes** totaled \$635 million, up \$49 million or 8.4% versus the same period in November 2018.
- **Sales & Use Tax** collections were \$107 million, up \$7 million or 6.7% versus the same period in November 2018.
- **Corporate & Business Taxes** were \$40 million, down \$1 million or 3.5% versus the same period in November 2018.
- **Other Taxes** totaled \$84 million, up \$17 million or 25.6% versus the same period in November 2018.

## Detail

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**Total Income Tax** of \$635 million for mid-month November comprises the following:

- **Withholding** of \$637 million, up \$77 million from mid-month November 2018.
- **Estimated Payments** of \$16 million, up \$1 million from mid-month November 2018.
- **Returns/Bills** of \$23 million, up \$5 million from mid-month November 2018.
- **Refunds** of \$41 million, up \$33 million from mid-month November 2018.  
Because refunds are an outflow, this represents a negative variance from the prior year.

**Sales & Use Tax** collections of \$107 million for the November month-to-date period are \$7 million or 6.7% more 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 20<sup>th</sup> of the month.

- \$53 million in Regular Sales Tax collections, up \$6 million from mid-month November 2018.
- \$17 million in Meals Tax revenues, up \$3 million from mid-month November 2018.
- \$36 million in Motor Vehicle Sales Tax revenues, down \$3 million from mid-month November 2018.

**Corporate & Business** tax revenues were \$40 million, down \$1 million from mid-month November 2018.

**All Other** includes a number of tax categories including motor fuels, cigarettes, estate taxes, and deeds. All other revenues totaled \$84 million, which is \$17 million more than the mid-month November 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 November 2019 (in \$ Millions)**  
**Tax Collections as of November 15, 2019, Compared to Same Collection Period in FY2019**

	<b>November</b>			<b>FY20 YTD</b>		
	<b>(Through November 15<sup>th</sup>)</b>			<b>(Through November 15<sup>th</sup>)</b>		
	11/2019 MTD Actual Collections	11/2019 MTD v. 11/2018 MTD \$ Fav/(Unfav)	11/2019 MTD v. 11/2018 MTD % Fav/(Unfav)	11/2019 YTD Actual Collections	11/2019 YTD v. 11/2018 YTD \$ Fav/(Unfav)	11/2019 YTD v. 11/2018 YTD % Fav/(Unfav)
<b>Income</b>						
Income Withholding	637	77	+13.7%	4,870	240	+5.2%
Income Est. Payments	16	1	+5.4%	769	33	+4.5%
Income Returns/Bills	23	5	+24.8%	292	17	+6.2%
Income Refunds Net (outflow)	(41)	(33)	-388.4%	(244)	(29)	-13.6%
<b>Subtotal Income</b>	<b>635</b>	<b>49</b>	<b>+8.4%</b>	<b>5,687</b>	<b>261</b>	<b>+4.8%</b>
<b>Sales &amp; Use</b>						
Sales - Regular	53	6	+13.4%	1,687	96	+6.0%
Sales - Meals	17	3	+20.3%	478	21	+4.5%
Sales - Motor Vehicles	36	(3)	-6.6%	336	6	+1.9%
<b>Subtotal Sales &amp; Use</b>	<b>107</b>	<b>7</b>	<b>+6.7%</b>	<b>2,501</b>	<b>123</b>	<b>+5.2%</b>
<b>Corporate &amp; Business - Total</b>	<b>40</b>	<b>(1)</b>	<b>-3.5%</b>	<b>868</b>	<b>4</b>	<b>+0.5%</b>
<b>All Other</b>	<b>84</b>	<b>17</b>	<b>+25.6%</b>	<b>1,039</b>	<b>25</b>	<b>+2.4%</b>
<b>Total Tax Collections</b>	<b>866</b>	<b>72</b>	<b>+9.0%</b>	<b>10,094</b>	<b>412</b>	<b>+4.3%</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.