



GEOFFREY E. SNYDER
COMMISSIONER

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

November 18, 2022

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 November 2022, the fifth month of fiscal year 2023. The attached table shows November 2022 month-to-date tax revenue collections through November 15, 2022, along with changes from the equivalent period in November 2021.

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 November Revenues

In general, November is among the smaller months for revenue collection because neither individual nor business taxpayers make significant estimated payments during the month. Historically, roughly 6.5% of annual revenue, on average, has been received during November.

Highlights

Total Tax collections for the month-to-date period were \$886 million, down \$215 million or 19.5% versus the same period in November 2021. The month-to-date decrease is mostly due to decreases in withholding, sales tax, and all other tax coupled with an unfavorable increase in income tax refunds, partially offset by increases in corporate and business tax and income estimated payments. Month-to-date declines in withholding and sales tax were expected and resulted from typical periodic variations in the timing of collections.

- **Income Taxes** totaled \$632 million, down \$162 million or 20.4% versus the same period in November 2021.
- **Sales & Use Taxes** totaled \$128 million, down \$34 million or 21.1% versus the same period in November 2021.
- **Corporate & Business Taxes** totaled \$52 million, up \$15 million or 38.9% versus the same period in November 2021.
- **Other Taxes** totaled \$74 million, down \$33 million or 30.7% versus the same period in November 2021.

Details

Total Income Tax of \$632 million for mid-month November is comprised of the following:

- **Withholding** of \$623 million, down \$151 million versus the same period in November 2021.
- **Estimated Payments** of \$36 million, up \$15 million versus the same period in November 2021.
- **Returns/Bills** of \$35 million, up \$3 million versus the same period in November 2021.
- **Refunds** of \$63 million, up \$30 million (unfavorable) versus the same period in November 2021.

Sales & Use Tax of \$128 million, down \$34 million versus the same period in November 2021. 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 \$128 million is comprised of the following:

- **Regular sales tax** of \$53 million, down \$27 million versus the same period in November 2021.
- **Meals tax** of \$31 million, down \$10 million versus the same period in November 2021.
- **Motor vehicle sales tax** of \$45 million, up \$3 million versus the same period in November 2021.

Corporate & Business Tax of \$52 million, up \$15 million versus the same period in November 2021. The month-to-date increase mostly reflects an increase in corporate and business estimated payments, partially offset by an unfavorable increase in refunds.

Other Taxes of \$74 million, down \$33 million versus the same period in November 2021, includes a number of tax categories such as motor fuels, cigarettes, estate taxes, room occupancy, deeds, and others.

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: 1

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

Mid-Month Tax Collection Report for November 2022 (in \$ Millions)

Tax Collections as of November 15, 2022, Compared to Same Collection Period in FY2022

	November (Through November 15th) (\$ Millions)			FY2023 YTD (Through November 15th) (\$ Millions)		
	11/2022 MTD Actual Collections	11/2022 MTD v. 11/2021 MTD \$ Fav/(Unfav)	11/2022 MTD v. 11/2021 MTD % Fav/(Unfav)	11/2022 YTD Actual Collections	11/2022 YTD v. 11/2021 YTD \$ Fav/(Unfav)	11/2022 YTD v. 11/2021 YTD % Fav/(Unfav)
Income						
Income Withholding	623	(151)	-19.5%	5,798	202	+3.6%
Income Est. Payments	36	15	+73.8%	1,093	106	+10.8%
Income Returns/Bills	35	3	+10.2%	666	252	+60.8%
Income Refunds Net (outflow)	(63)	(30)	-92.6%	(768)	(532)	-226.2%
Subtotal Income	632	(162)	-20.4%	6,789	27	+0.4%
Sales & Use						
Sales - Regular	53	(27)	-34.1%	2,289	195	+9.3%
Sales - Meals	31	(10)	-24.3%	559	59	+11.7%
Sales - Motor Vehicles	45	3	+6.5%	430	30	+7.4%
Subtotal Sales & Use	128	(34)	-21.1%	3,278	284	+9.5%
Corporate & Business - Total	52	15	+38.9%	1,281	(81)	-5.9%
All Other	74	(33)	-30.7%	1,103	(76)	-6.5%
Total Tax Collections	886	(215)	-19.5%	12,451	154	+1.3%

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.