



Geoffrey E. Snyder
Commissioner

The Commonwealth of Massachusetts
Department of Revenue
Office of the Commissioner
P.O. Box 9550
Boston, MA 02114-9550

October 20, 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 Laws¹, the Department of Revenue (DOR) hereby submits its mid-month tax revenue report for the month of October 2021, the fourth month of fiscal year 2022. The attached table shows October 2021 month-to-date tax revenue collections through October 15, 2021, along with changes from the equivalent period in October 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.

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

Context for September Revenues

In general, October is among the lower 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 October.

Highlights

Total Tax collections for the month-to-date period were \$988 million, up \$145 million or 17.2% versus the same period in October 2020. The month-to-date increase is mostly due to increases in income withholding and estate tax.

- **Income Taxes**, which includes withholding, totaled \$677 million, up \$75 million or 12.4% versus the same period in October 2020.
- **Sales & Use Taxes** were \$122 million, up \$27 million or 28.3% versus the same period in October 2020.
- **Corporate & Business Taxes** were \$69 million, up \$12 million or 21.8% versus the same period in October 2020
- **Other Taxes** totaled \$120 million, up \$31 million or 35.4% versus the same period in October 2020.

Detail

Total Income Tax of \$677 million for mid-month October is comprised of the following:

- **Withholding** of \$609 million, up \$69 million from mid-month October 2020.
- **Estimated Payments** of \$39 million, up \$7 million from mid-month October 2020.
- **Returns/Bills** of \$75 million, up \$22 million from mid-month October 2020.
- **Refunds** of \$46 million, up \$23 million from mid-month October 2020.

Sales & Use Tax collections of \$122 million for the October month-to-date period are \$27 million more than the same period in October 2020. Typically, only a small proportion of expected regular sales and meals tax remittances are received by the mid-month date. The \$122 million in month-to-date sales and use tax collections is comprised of the following:

- \$57 million in regular sales tax collections, up \$11 million from mid-month October 2020.
- \$21 million in meals tax revenues, up \$8 million from mid-month October 2020.
- \$44 million in motor vehicle sales tax revenues, up \$8 million from mid-month October 2020.

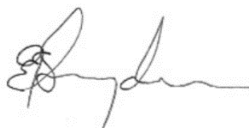
Corporate & Business taxes were \$69 million, up \$12 million from mid-month October 2020.

Other Taxes includes a number of tax categories such as motor fuels, cigarettes, estate taxes, room occupancy, deeds, and others. All other tax revenues totaled \$120 million, which is \$31 million more than mid-month October 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 Kazim P. Ozyurt, Director of the Office of Tax Analysis (ozyurtk@dor.state.ma.us).

Sincerely,

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

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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 October 2021 (in \$ Millions)

Tax Collections as of October 15, 2021, Compared to Same Collection Period in FY2021

	October (Through October 15th)			FY22 YTD (Through October 15th)		
	10/2021 MTD Actual Collections	10/2021 MTD v. 10/2020 MTD \$ Fav/(Unfav)	10/2021 MTD v. 10/2020 MTD % Fav/(Unfav)	10/2021 YTD Actual Collections	10/2021 YTD v. 10/2020 YTD \$ Fav/(Unfav)	10/2021 YTD v. 10/2020 YTD % Fav/(Unfav)
Income						
Income Withholding	609	69	+12.8%	4,244	380	+9.8%
Income Est. Payments	39	7	+20.8%	932	302	+47.8%
Income Returns/Bills	75	22	+41.9%	270	94	+53.1%
Income Refunds Net (outflow)	(46)	(23)	-104.9%	(134)	(62)	-85.4%
Subtotal Income	677	75	+12.4%	5,313	714	+15.5%
Sales & Use						
Sales - Regular	57	11	+24.4%	1,582	196	+14.1%
Sales - Meals	21	8	+57.2%	371	125	+50.9%
Sales - Motor Vehicles	44	8	+22.4%	315	27	+9.4%
Subtotal Sales & Use	122	27	+28.3%	2,268	348	+18.1%
Corporate & Business - Total	69	12	+21.8%	1,292	378	+41.3%
All Other	120	31	+35.4%	866	206	+31.2%
Total Tax Collections	988	145	+17.2%	9,739	1,645	+20.3%

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.