



Geoffrey E. Snyder
Commissioner

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

September 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 September 2021, the third month of fiscal year 2022. The attached table shows September 2021 month-to-date tax revenue collections through September 15, 2021, along with changes from the equivalent period in September 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, September is a significant month for revenues because many individuals and corporations are required to make estimated payments. Historically, roughly 10% of annual revenue, on average, has been received during September, making it the third or fourth largest revenue month of the year.

Highlights

Total Tax collections for the month-to-date period were \$2.226 billion, up \$580 million or 35.2% versus the same period in September 2020. The month-to-date increase is mostly due to increases in corporate and personal income tax estimated payments. These increases were likely due in part to periodic variations in daily remittances, resulting in the receipt of some corporate and personal income estimated payments earlier in the month than they were in September 2020.

- **Income Taxes**, which includes withholding, totaled \$1.126 billion, up \$211 million or 23.1% versus the same period in September 2020.
- **Sales & Use Taxes** were \$134 million, up \$34 million or 33.7% versus the same period in September 2020.
- **Corporate & Business Taxes** were \$890 million, up \$341 million or 62.1% versus the same period in September 2020. Most of the month-to-date increase was in corporate and business estimated payments, a subcategory of corporate & business taxes; this increase may be due in part to periodic variations in daily remittances.
- **Other Taxes** totaled \$77 million, down \$6 million or 7.4% versus the same period in September 2020.

Detail

Total Income Tax of \$1.126 billion for mid-month September is comprised of the following:

- **Withholding** of \$672 million, up \$78 million from mid-month September 2020.
- **Estimated Payments** of \$419 million, up \$123 million from mid-month September 2020. As mentioned above, the month-to-date increase was likely in part due to periodic variations in daily remittances.
- **Returns/Bills** of \$46 million, up \$11 million from mid-month September 2020.
- **Refunds** of \$11 million, up \$1 million from mid-month September 2020.

Sales & Use Tax collections of \$134 million for the September month-to-date period are \$34 million more than the same period in September 2020. Typically, only a small proportion of expected regular sales and meals tax remittances are received by the mid-month date. The \$134 million in month-to-date sales and use tax collections is comprised of the following:

- \$64 million in regular sales tax collections, up \$19 million from mid-month September 2020.
- \$21 million in meals tax revenues, up \$8 million from mid-month September 2020.

- \$48 million in motor vehicle sales tax revenues, up \$6 million from mid-month September 2020.

Corporate & Business taxes were \$890 million, up \$341 million from mid-month September 2020. As mentioned above, most of the increase was likely the result of periodic variations in the daily remittance of corporate and business estimated payments (a subcategory of corporate and business taxes).

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 \$77 million, which is \$6 million less than mid-month September 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,



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



Geoffrey E. Snyder
Commissioner

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

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

	September (Through September 15th)			FY22 YTD (Through September 15th)		
	09/2021 MTD Actual Collections	09/2021 MTD v. 09/2020 MTD \$ Fav/(Unfav)	09/2021 MTD v. 09/2020 MTD % Fav/(Unfav)	09/2021 YTD Actual Collections	09/2021 YTD v. 09/2020 YTD \$ Fav/(Unfav)	09/2021 YTD v. 09/2020 YTD % Fav/(Unfav)
Income						
Income Withholding	672	78	+13.2%	3,115	273	+9.6%
Income Est. Payments	419	123	+41.3%	507	209	+70.5%
Income Returns/Bills	46	11	+32.5%	156	78	+100.7%
Income Refunds Net (outflow)	(11)	(1)	-8.4%	(58)	(37)	-175.5%
Subtotal Income	1,126	211	+23.1%	3,721	524	+16.4%
Sales & Use						
Sales - Regular	64	19	+42.3%	1,110	146	+15.1%
Sales - Meals	21	8	+62.6%	253	97	+62.3%
Sales - Motor Vehicles	48	6	+15.3%	221	19	+9.4%
Subtotal Sales & Use	134	34	+33.7%	1,585	262	+19.8%
Corporate & Business - Total	890	341	+62.1%	1,115	329	+41.9%
All Other	77	(6)	-7.4%	564	116	+25.9%
Total Tax Collections	2,226	580	+35.2%	6,984	1,231	+21.4%

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.