



GEOFFREY E. SNYDER
COMMISSIONER

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

September 20, 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 September 2022, the third month of fiscal year 2023. The attached table shows September 2022 month-to-date tax revenue collections through September 15, 2022, along with changes from the equivalent period in September 2021.

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

Revenue collections are uneven and usually weighted toward month-end, and 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 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 \$2.289 billion, up \$50 million or 2.3% versus the same period in September 2021. The month-to-date increase is mostly due to increases in withholding, income tax estimated and return payments, and regular sales tax, partially offset by decreases in corporate and business tax and all other taxes.

- **Income Taxes** totaled \$1.281 billion, up \$157 million or 14.0% versus the same period in September 2021.
- **Sales & Use Taxes** totaled \$153 million, up \$36 million or 31.3% versus the same period in September 2021.
- **Corporate & Business Taxes** totaled \$771 million, down \$138 million or 15.2% versus the same period in September 2021.
- **Other Taxes** totaled \$84 million, down \$5 million or 5.9% versus the same period in September 2021.

Details

Total Income Tax of \$1.281 billion for mid-month September is comprised of the following:

- **Withholding** of \$718 million, up \$48 million versus the same period in September 2021.
- **Estimated Payments** of \$504 million, up \$82 million versus the same period in September 2021.
- **Returns/Bills** of \$70 million, up \$28 million versus the same period in September 2021.
- **Refunds** of \$12 million, up \$1 million versus the same period in September 2021.

Sales & Use Tax of \$153 million, up \$36 million versus the same period in September 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 \$153 million is comprised of the following:

- **Regular sales tax** of \$82 million, up \$35 million versus the same period in September 2021.
- **Meals tax** of \$25 million, up \$4 million versus the same period in September 2021.

- **Motor vehicle** sales tax of \$46 million, down \$2 million versus the same period in September 2021.

Corporate & Business Tax of \$771 million, down \$138 million versus the same period in September 2021. The month-to-date decrease mostly reflects decreases in corporate and business estimated and return payments, partially offset by favorable decrease in refunds.

Other Taxes of \$84 million, down \$5 million versus the same period in September 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 September 2022 (in \$ Millions)

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

	September (Through September 15th) (\$ Millions)			FY2023 YTD (Through September 15th) (\$ Millions)		
	09/2022 MTD Actual Collections	09/2022 MTD v. 09/2021 MTD \$ Fav/(Unfav)	09/2022 MTD v. 09/2021 MTD % Fav/(Unfav)	09/2022 YTD Actual Collections	09/2022 YTD v. 09/2021 YTD \$ Fav/(Unfav)	09/2022 YTD v. 09/2021 YTD % Fav/(Unfav)
Income						
Income Withholding	718	48	+7.2%	3,255	141	+4.5%
Income Est. Payments	504	82	+19.5%	613	146	+31.2%
Income Returns/Bills	70	28	+64.6%	213	60	+38.7%
Income Refunds Net (outflow)	(12)	(1)	-9.4%	(85)	(28)	-47.9%
Subtotal Income	1,281	157	+14.0%	3,996	319	+8.7%
Sales & Use						
Sales - Regular	82	35	+76.4%	1,212	121	+11.1%
Sales - Meals	25	4	+16.2%	292	37	+14.7%
Sales - Motor Vehicles	46	(2)	-5.1%	229	8	+3.6%
Subtotal Sales & Use	153	36	+31.3%	1,733	167	+10.6%
Corporate & Business - Total	771	(138)	-15.2%	959	(173)	-15.3%
All Other	84	(5)	-5.9%	607	28	+4.9%
Total Tax Collections	2,289	50	+2.3%	7,296	341	+4.9%

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.