

For Immediate Release - January 05, 2017

State Tax Revenue Collections Total \$2.491 Billion for December, \$11.952 Billion Year-to-Date

Collections track closely to benchmark for the fiscal year-to-date period

(Boston, MA) – Michael J. Heffernan, Commissioner of the Massachusetts Department of Revenue (DOR), announced today that preliminary revenue collections for December 2016 totaled \$2.491 billion, \$49 million (2.0%) above the monthly benchmark. Fiscal year-to-date collections total \$11.952 billion, \$38 million (-0.3%) below the benchmark.

As noted in the November 2016 tax revenue collections announcement, December revenues include tax payments initiated by taxpayers in November, but received and recorded in December due to a planned pause in processing during the implementation of the MassTaxConnect system. If those revenues had been booked when initiated, December collections would be \$2.440 billion, or \$2 million below December benchmark.

“Halfway through the fiscal year, state tax revenue collections are holding close to the estimated year-to-date benchmark,” said Commissioner Heffernan. “Sales tax collections remain in line with the estimates as adjusted in October 2016. December and January are important collection months for estimated payments and we will continue to monitor that category, which can be volatile. We are also tracking local and national economic indicators for any trends that may impact future revenues.”

- December 2016 revenues were \$2.491 billion, which is \$49 million or 2.0% above the monthly benchmark and \$77 million more than December 2015.
 - If the \$51 million in revenue received in December due to the transition to the MassTaxConnect system were excluded, then December 2016 revenues would be \$2.440 billion, very close to the benchmark of \$2.443 billion.
 - Income tax collections were \$108 million above the monthly benchmark.
 - Sales and use tax collections were \$1 million below the monthly benchmark.
 - Corporate and business taxes were \$41 million below the monthly benchmark.
 - Other taxes, which include motor fuels, cigarette, estate, and other categories, were \$17 million below the monthly benchmark.
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- December is one of the larger tax collection months, with quarterly estimated payments due for businesses. Although estimated payments for individuals are not due until January, there is also considerable inflow in this category each December. This is largely

due to individuals choosing to make the January payment early, in order to claim the related deduction on their 2016 federal tax returns.

- Income tax collections for December were \$1.479 billion, \$108 million or 7.9% above the monthly benchmark and \$114 million more than December 2015.
- Withholding collections of \$1.148 billion for the month are \$27 million or 2.4% above the monthly benchmark and \$58 million more than December 2015. For the fiscal year-to-date, withholding is 0.3% above benchmark.
- Income tax estimated payments totaled \$307 million, \$76 million or 32.8% more than the monthly benchmark and \$16 million more than December 2015. For the fiscal year-to-date, estimated payments are 7.7% above benchmark.
- Payments with returns and bills for December totaled \$24 million, which is \$4 million or 13.1% less than the monthly benchmark and \$15 million more than December 2015.
- Sales and use tax collections for December totaled \$496 million, which is \$1 million or 0.3% below the monthly benchmark. Sales collections are up \$9 million or 1.8% from December 2015.
- Corporate and business tax collections for the month were \$330 million, \$41 million or 11.0% below the monthly benchmark partly due to an increase in refunds. Year-to-date business collections are \$953 million, which is \$45 million or 4.5% below benchmark.
- Other tax collections for December totaled \$185 million, down \$14 million versus last December and \$17 million below the monthly benchmark.