



AMY PITTER
COMMISSIONER

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

February 21, 2013

The Honorable Brian S. Dempsey, Chair
House Committee on Ways and Means
State House
Room 243
Boston, MA 02133

The Honorable Viriato Manuel deMacedo, Representative
House Committee on Ways and Means
State House
Room 124
Boston, MA 02133

The Honorable Stephen M. Brewer, Chair
Senate Committee on Ways and Means
State House
Room 212
Boston, MA 02133

The Honorable Michael R. Knapik, Senator
Senate Committee on Ways and Means
State House
Room 419
Boston, MA 02133

Honorable Chairmen and Ranking Minority Members of the Ways and Means Committees:

Pursuant to Section 6 of Chapter 14 of the General Laws¹, the Department of Revenue hereby submits its mid-month tax revenue report for the month of February 2013. The attached table shows February 2013 month-to-date and FY2013 year-to-date tax revenue collections through February 15, 2013, along with the dollar and percentage changes from the same collection period in February 2012. Also shown are the percentage growth amounts for the full month of February 2013 and for FY2013 year-to-date through the

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

end of February 2013 that were assumed in the benchmarks corresponding to the FY2013 tax revenue estimate of \$21.496 billion, which was revised by the Executive Office for Administration and Finance on December 4, 2012.

February has historically been the lowest net tax collection month of the year, as there are no quarterly estimated payments due, sales tax is low because of the post-holiday season shopping lull in January (February sales tax payments reflect January transactions), and February is usually the largest income tax refund month of the year, as income tax refunds ramp up with the start of the tax filing season. The February 2013 benchmark corresponding to the FY13 tax revenue estimate of \$21.496 billion projects February tax revenues of \$1.031 billion, an increase of \$20 million or 2.0% actual, and up \$51 million or 5.1% baseline from February 2012.

Through February 15, 2013, month-to-date tax collections total \$354 million, up \$9 million, or 2.7% from the same period last February, compared to the benchmark estimate that projects an increase of \$20 million for the full month. Virtually all of the growth this month is expected to occur on and after February 20th when monthly sales tax payments are due.

Month-to-date income tax collections through February 15, 2013 totaled \$243 million, up \$15 million, or 6.4% from the same period in February 2012. Month-to-date withholding taxes through February 15, 2013 totaled \$455 million, up \$29 million, or 6.8% from the same period in February 2012, compared to the benchmark estimate that projects an increase of \$25 million for the full month. Month-to-date income tax cash refunds totaled \$235 million, up \$10 million, or 4.7% from the same period in February 2012, with the full month benchmark projecting a growth of \$0.4 million. Month-to-date increase is not surprising after ending January significantly below benchmark because of timing related refund shift resulting from recent federal filing delay. The number of refunds so far in February has increased by 1.4% from a year ago, but the cumulative number of refunds since the beginning of January has still been down by 19.6% from a year ago, which probably means that refunds are still catching up.

As of February 15, 2013, corporate and business tax collections totaled \$9 million, down \$12 million from the same period in February 2012, compared to the benchmark estimate that projects an increase of \$1.2 million. Month-to-date corporate and business cash refunds total \$8 million, up \$2 million from the same period last February.

February sales tax is projected to total \$378 million, an increase of \$6 million, or 1.6% actual and 3.0% baseline from February 2012. February 15th was too early in the month for sales tax trends to be meaningful, as monthly sales tax payments (other than those for motor vehicle sales tax) are not due until February 20th. Through February 15th, month-to-date sales tax collections totaled \$68 million, up \$4 million from the same period last February.

Monthly motor fuels and rooms tax payments are also due on February 20th. There may be differences in the due dates for certain tax payments from one fiscal year to the next (e.g., in withholding payments or the timing of refund cycles) which complicate month-to-date comparisons to the prior year. As a result of these factors, revenues received through February 15th as reported in the attached table may not be indicative of what the final results for the full month will be. Specifically, they do not necessarily represent one-half of the revenues to be received in the full month and the month-to-date growth rates compared to February 2012 could change significantly by the end of this month. Any variances from the monthly benchmark at this point in the month should not be relied on as an indicator of what total final revenues for the month will be, compared to the full month benchmarks.

If you have any questions concerning this report, please contact either me (at 626-2201) or Kazim P. Ozyurt, Director of the Office of Tax Policy Analysis (at 626-2100).

Sincerely,

A handwritten signature in black ink that reads "Amy A. Pitter". The signature is written in a cursive style with a large initial "A".

Amy Pitter
Commissioner

Attachment

Cc: Glen Shor, Secretary of Administration and Finance
Representative Robert A. DeLeo, House Speaker
Senator Therese Murray, Senate President
Representative Jay R. Kaufman, House Chair, Joint Committee on Revenue
Senator Michael J. Rodrigues, Senate Chair, Joint Committee on Revenue
Representative Bradley H. Jones, Jr., House Minority Leader
Senator Bruce Tarr, Senate Minority Leader
Steven Grossman, Treasurer and Receiver General



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Mid-Month Tax Collection Report for February 2013 (in \$ Millions)

Tax Collections as of February 15, 2013, Compared to Same Collection Period in FY2012 and to the FY2013 Tax Revenue Estimate of \$21.496 Billion

	----- Month of February -----						----- FY13 Year-to-Date -----					
	02/13 MTD Collections	02/13 MTD v. 02/12 MTD \$ Change	02/13 MTD v. 02/12 MTD % Change	02/13 Full Month Benchmark (*)	% Growth from 02/12 Assumed in Monthly Benchmark	\$ Needed to Reach 02/13 Full Month Benchmark (*)	02/13 FY13 YTD Collections	02/13 FY13 YTD \$ Change	02/13 FY13 YTD % Change	FY13 YTD Benchmark (*)(**)	% Growth from 02/12 Assumed in FY13 YTD Benchmark	\$ Needed to Reach FY13 YTD Benchmark (*)(**)
Income - Total	243	15	6.4%	466	2.6%	224	7,529	449	6.3%	7,532	3.1%	3
Income Withholding	455	29	6.8%	821	3.2%	366	6,299	169	2.8%	6,647	2.3%	348
Income Est. Payments (Cash)	9	0	4.1%	10	4.9%	1	1,381	193	16.2%	1,251	5.2%	(130)
Income Returns/Bills	13	(4)	(23.3%)	44	(23.6%)	31	294	25	9.5%	326	5.6%	32
Income Refunds (Cash)	235	10	4.7%	408	0.1%	174	451	(56)	(11.0%)	696	0.8%	245
Sales & Use - Total	68	4	6.5%	378	1.6%	310	3,144	55	1.8%	3,472	2.2%	329
Sales - Regular	38	6	19.4%	259	1.6%	221	2,189	23	1.1%	2,420	1.3%	231
Sales - Meals	9	1	7.9%	64	3.4%	55	557	26	5.0%	616	5.4%	59
Sales - Motor Vehicles	22	(3)	(11.0%)	55	(0.1%)	33	398	6	1.6%	436	3.3%	39
Corporate & Business - Total	9	(12)	(57.5%)	44	2.9%	34	919	(52)	(5.4%)	866	(12.7%)	(53)
All Other	34	3	9.3%	143	23.8%	110	1,100	11	1.0%	1,193	1.6%	93
Total Tax Collections	354	9	2.7%	1,031	4.7%	678	12,692	463	3.8%	13,063	1.5%	371

(*) Benchmarks are based on the FY13 tax revenue estimate of \$21.496 billion

(**) Year-to-date benchmarks are year-to-date full month benchmark totals (i.e., July through February full month totals)

Note: Detail may not add to total due to rounding and other technical factors.