

# State Tax Revenue Collections Total \$2.703 Billion for January, \$14.661 Billion Fiscal Year-to-Date

## Revenues continue to track to benchmark

(Boston, MA) – Commissioner Michael J. Heffernan of the Massachusetts Department of Revenue today announced that preliminary revenue collections for January totaled \$2.703 billion, which is \$1 million (0.05%) below the monthly benchmark. Fiscal year-to-date collections were \$14.661 billion, \$33 million (0.2%) below the benchmark.

“January revenue collections were virtually on benchmark,” said Commissioner Heffernan. “Withholding, the single largest category of collections, is slightly above the revised monthly and year-to-date benchmarks. Sales tax collections were modestly above benchmark in January. In the remaining five months of fiscal year 2017, we will monitor economic trends and analyze collections to identify any emerging issues that may affect revenues.”

- January 2017 revenues were \$2.703 billion, which is \$1 million or 0.05% below the monthly benchmark and \$114 million or 4.4% more than January 2016.
  - Income tax collections of \$1.848 billion were \$30 million or 1.6% below the monthly benchmark. This is due to estimated payments, which dipped slightly after a strong December.
  - Sales and use tax collections were \$6 million or 1.0% above the monthly benchmark.
  - Corporate and business taxes were \$13 million above the monthly benchmark.
  - Other taxes, which include motor fuels, cigarette, estate, and other categories, were \$9 million above the monthly benchmark.
  - Estimated payments totaled \$659 million, \$77 million or 10.5% less than the monthly benchmark and \$51 million less than January 2016. **Note:** taxpayers may choose to make their January estimated payment in the prior month (December) in order to increase their federal tax deduction for the 2016 tax year. That appears to have happened in the current cycle, with estimated payments in December being over benchmark by \$76 million for the month, now offset by being \$77 million under benchmark in January. The combined total for both months is \$1 million below benchmark.
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- January is generally the third largest tax collection month, ranking just behind June and April. January is a strong month for estimated payments and for sales tax collections, and to a lesser extent for withholding. January is not a very active month, however, for corporate and business taxes.
  - Income tax collections for January were \$1.848 billion, \$30 million or 1.6% below the monthly benchmark and \$60 million more than January 2016.

- Withholding collections of \$1.161 billion for the month were \$3 million or 0.3% above the monthly benchmark and \$87 million more than January 2016. For the fiscal year-to-date, withholding is \$25 million or 0.4% above benchmark.
- Estimated payments totaled \$659 million, \$77 million or 10.5% less than the monthly benchmark and \$51 million less than January 2016. For the fiscal year-to-date, estimated payments are \$14 million or 0.8% below benchmark.
- Note: taxpayers may choose to make their January estimated payment in the prior month (December) in order to increase their federal tax deduction for the 2016 tax year. That appears to have happened in the current cycle, with estimated payments in December being over benchmark by \$76 million for the month, now offset by being \$77 million under benchmark in January. The combined total for both months is \$1 million below benchmark.
- Payments with returns and bills for January totaled \$45 million, which is \$11 million more than the monthly benchmark and \$12 million more than January 2016.
- Refunds were \$16 million for the month of January, which is \$33 million less than expected, creating a favorable variance versus the benchmark. On a fiscal year-to-date basis, refunds are \$285 million, which is \$23 million or 7.5% favorable to the benchmark.
- Sales and use tax collections for January totaled \$609 million, \$6 million or 1.0% above the monthly benchmark. Sales collections are up \$30 million or 5.2% over the month of January 2016. On a fiscal year-to-date basis, sales and use tax collections of \$3.717 billion are \$14 million or 0.4% below benchmark.
- January is not a major month for corporate and business tax collections. Revenues for the month were \$54 million, which is \$13 million above benchmark and \$15 million above January 2016. Year-to-date business collections are \$1.020 billion, which is \$18 million or 1.8% below benchmark.
- Other tax collections for January totaled \$193 million, up \$9 million versus last January and \$9 million above the monthly benchmark. On a fiscal year-to-date basis, other taxes are \$1.304 billion, which is \$31 million or 2.3% below benchmark.