



AMY PITTER
COMMISSIONER

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

June 19, 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 June 2013. The attached table shows June 2013 month-to-date and FY2013 year-to-date tax revenue collections through June 14, 2013, along with the dollar and percentage changes from the same collection period in June 2012. Also shown are the percentage growth amounts for the full month of June 2013 and for FY2013 year-to-date through the end of June 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.

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

June has historically been the second largest tax collection month of the year (after April) as quarterly estimated payments are due on June 15th for both income tax and corporate and business taxpayers (June 17th this year since the usual due date of the 15th falls on a weekend). The benchmark corresponding to the FY2013 estimate of \$21.496 billion projects June revenues of \$2.375 billion, an increase of \$82 million, or 3.6% actual and 4.4% baseline from June 2012.

Through June 14, 2013, month-to-date tax collections total \$950 million, up \$203 million, or 27.2% from the same period last June, compared to the benchmark estimate that projects an increase of \$82 million for the full month. Most of the month-to-date growth is timing related: some of the corporate and business estimated payments came in a deposit day earlier than they did last June (these payments are not due until the June 17th), and weekly withholding payment patterns of certain taxpayers have changed, resulting in an acceleration of withholding payments, which could reverse by the end of the month.

Month-to-date income tax collections through June 14, 2013 totaled \$549 million, up \$71 million, or 14.8% from the same period in June 2012, compared to the benchmark estimate that projects an increase of \$52 million for the full month. Month-to-date withholding taxes through June 14, 2013 totaled \$466 million, up \$77 million, or 19.9% from the same period in June 2012, compared to the benchmark estimate that projects an increase of \$27 million for the full month. As indicated above some of the month-to-date increase in withholding payments appear to be timing related and could reverse by the end of the month. Month-to-date income tax estimated payments through June 14, 2013 totaled \$85 million, down \$7 million, or 7.9% from the same period in June 2012, compared to the benchmark estimate that projects an increase of \$19 million for the full month. The bulk of estimated income tax payments historically come during the second half of the month and it is therefore too early in the month to know how it would end the month.

June is a significant month for corporate and business tax payments, as the second quarterly estimated payments for most corporations are due on June 17th this year (the usual due date of the 15th falls on a weekend). Through June 14, 2013 month-to-date corporate and business tax collections totaled \$289 million, up \$110 million from the same period in June 2012, compared to a \$19 million increase assumed in the monthly benchmark. Most of the month-to-date increase in corporate and business collections is timing related; significant portion of electronically remitted corporate and business estimated payments came in a deposit day earlier than they did last June, so month-to-date collections comparison to last year will not be meaningful for a few more deposit days.

June sales tax is projected to total \$449 million, an increase of \$8 million from June 2012. June 14th 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 June 20th. Through June 14th, month-to-date sales tax collections totaled \$70 million, up \$16 million from the same period in June 2012.

Monthly motor fuels and rooms tax payments are also due on June 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 June 14th 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 June 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, flowing style.

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

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

Tax Collections as of June 14, 2013, Compared to Same Collection Period in FY2012 and to the FY2013 Tax Revenue Estimate of \$21.496 Billion

	----- Month of June -----						----- FY13 Year-to-Date -----					
	06/13 MTD Collections	06/13 MTD v. 06/12 MTD \$ Change	06/13 MTD v. 06/12 MTD % Change	06/13 Full Month Benchmark (*)	% Growth from 06/12 Assumed in Monthly Benchmark	\$ Needed to Reach 06/13 Full Month Benchmark (*)	06/13 FY13 YTD Collections	06/13 FY13 YTD \$ Change	06/13 FY13 YTD % Change	FY13 YTD Benchmark (*)(**)	% Growth from 06/12 Assumed in FY13 YTD Benchmark	\$ Needed to Reach FY13 YTD Benchmark (*)(**)
Income - Total	549	71	14.8%	1,287	4.2%	737	12,085	929	8.3%	12,463	4.6%	379
Income Withholding	466	77	19.9%	861	3.2%	394	9,622	301	3.2%	10,036	2.8%	414
Income Est. Payments (Cash)	85	(7)	(7.9%)	414	4.9%	329	1,750	219	14.3%	1,926	5.1%	176
Income Returns/Bills	17	1	7.1%	55	12.7%	38	2,085	408	24.3%	1,903	11.3%	(183)
Income Refunds (Cash)	19	0	2.7%	44	0.0%	25	1,377	4	0.3%	1,405	0.5%	29
Sales & Use - Total	70	16	28.9%	449	1.8%	379	4,780	107	2.3%	5,176	2.3%	396
Sales - Regular	32	11	50.4%	315	1.7%	283	3,312	56	1.7%	3,597	1.5%	285
Sales - Meals	9	2	24.1%	79	3.7%	70	830	30	3.8%	912	5.0%	82
Sales - Motor Vehicles	29	3	12.6%	55	(0.1%)	26	638	21	3.4%	668	3.3%	30
Corporate & Business - Total	289	110	61.3%	453	4.3%	165	2,059	(5)	(0.2%)	2,037	(12.2%)	(22)
All Other	42	7	20.1%	186	15.8%	145	1,685	9	0.6%	1,819	1.0%	134
Total Tax Collections	950	203	27.2%	2,375	4.6%	1,425	20,609	1,041	5.3%	21,496	1.9%	887

(*) 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 June full month totals)

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