

For Immediate Release - July 22, 2015

Department of Revenue Announces Preliminary June and Total Fiscal Year 2015 Revenue Collections

(Boston, MA)- Department of Revenue Commissioner Mark Nunnely today announced that June collections totaled \$2.656 billionⁱ, up \$127 million or 5.0 percent from last June and \$4 million above the monthly benchmark. FY15 collections for the year totaled \$24.717 billionⁱⁱ, up \$1.347 billion or 5.8 percent from FY14, and \$391 million over the FY15 benchmark.

Including one-time tax settlements which are not counted towards benchmark, preliminary revenue collections for June totaled \$2.687 billion, \$158 million or 6.2 percent more than the state took in last June. Preliminary revenues for all of FY15 were \$24.931 billion, an increase of \$1.562 billion or 6.7 percent more than FY14.

“The better than expected revenue performance in Fiscal Year 2015 is due to greater than anticipated income tax payments, which were only partially offset by lower than expected sales and use tax collections.” said Commissioner Nunnely. “Fiscal Year 2015’s revenue performance reflects a strong state labor market and increased investment-related income, including capital gains, interest and dividend income.”

Summary

- Revenues were \$4 million above benchmark for June and \$391 million above benchmark for the year, 5.8% above FY14 total.
- Income collections were \$37 million below benchmark in June and \$419 million above benchmark for the year.
- Corporate & business taxes were \$45 million above benchmark in June and \$8 million above benchmark for the year.
- Sales and use tax collections were \$13 million above benchmark for June and \$53 million below benchmark for the year.
- Capital gains tax is estimated to be \$1.669 billion for FY15.

June Revenue Collections

- **Income tax collections** for June were \$1.365 billion, \$24 million or 1.8 percent more than a year ago and \$37 million below the monthly benchmark.
- **Withholding collections** for June totaled \$857 million, down \$16 million or 1.8 percent from last June and \$61 million below the June benchmark, reflecting mostly the shifting of payments (about \$45-\$55 million) from June to May.

- **Income tax payments with returns or tax bills** for June totaled \$63 million, up \$15 million or 30.5 percent from the same period last year and \$8 million above the monthly benchmark.
- **Income tax estimated payments** of \$525 million for June were up \$55 million or 11.7 percent over a year ago and \$45 million above the monthly benchmark.
- **Income cash refunds** in June totaled \$79 million, up \$30 million or 61.0 percent from a year ago and \$30 million above the June benchmark.
- **Sales tax collections** for June totaled \$532 million, up \$44 million or 9.1 percent from last June and \$13 million above benchmark for the month.
- **Corporate and business tax collections** (excluding one-time tax settlement payments) for the month totaled \$525 million, up \$80 million or 18.1% from last June and \$45 million above the monthly benchmark.
- **Other tax collections**, including revenues from deeds and estates, etc., totaled \$234 million in June, \$22 million or 8.7 percent less than last June and \$17 million below the June benchmark.

2015 Revenue Collections

- **FY15 income tax collections** totaled \$14.374 billion, which was \$419 million more than anticipated.
- **FY15 withholding collections** totaled \$11.063 billion, up \$555 million or 5.3 percent from the same period last year, and \$75 million above what was expected for the year.
- **FY15 income tax payments with returns and bills** (excluding one-time tax settlements) totaled \$2.183 billion, \$241 million or 12.4 percent above the FY 2014 total and \$33 million above the year-to-date benchmark.
- **FY15 income tax estimated tax payments** totaled \$2.553 billion, which was \$332 million or 14.9 percent more than a year ago and \$265 million above the full year benchmark.
- **FY15 cash refunds** totaled \$1.421 billion, down \$48 million or 3.2 percent from the same period last year and \$48 million below the FY15 estimate.
- **FY15 sales tax collections** totaled \$5.774 billion, up \$278 million or 5.1 percent from the same period last year, but \$53 million below what was anticipated for the full year.
- **FY15 corporate and business tax collections** (excluding one-time tax settlements) totaled \$2.420 billion, \$91 million or 3.6 percent less than the FY 2014 total and \$8 million above the full year benchmark.
- **FY15 other tax collections**, including revenues from deeds and estates, etc. totaled \$2.148 billion, \$13 million or 0.6 percent less than the same period last year and \$17 million above the FY15 benchmark.

Capital Gains and Settlements

Per state finance law, FY15 tax revenues from realized capital gains exceeding \$1.048 billion and any settlement or judgment payments above \$10 million, are required to be transferred to the stabilization fund but that transfer was suspended for FY15 by legislation enacted in February, 2015. The Commonwealth collected about \$1.669 billion in capital gains tax during FY15. In an end of year supplemental budget filed last week, Governor Baker proposed a \$50 million deposit into the stabilization fund. On July 7, 2015, the Department of Revenue and the Office of the

Attorney General jointly certified that FY15 tax-related settlement and judgment payments totaled \$214.7 million and non-tax related settlement and judgment payments totaled \$11.4 million.

Tax Amnesty Programs

In FY15, the state implemented two tax amnesty programs. The first amnesty program, from September 1, 2014 to October 31, 2014, generated \$69.1 million tax collections, exceeding the estimate of \$35 million. The second program that began on March 16, 2015 and ended on May 15, 2015, resulted in total collections of approximately \$16 million, \$2 million less than the estimate of \$18 million. Processing for the second amnesty program will continue until all payments are validated. A final report will be released when processing is completed.

i Excludes \$31.3 million one-time tax settlement payment

ii Excludes \$214.7 million one-time tax settlement payments