

For Immediate Release - April 03, 2015

March Revenue Collections Total \$2.034 Billion

(Boston- Friday, April 3, 2015) – Revenue Commissioner Mark Nunnelly today announced that preliminary revenue collections for March totaled \$2.034 billion, \$82 million or 4.2 percent more than last March. Excluding a \$10 million one-time tax settlement payment received this month, revenue collections totaled \$2.024 billion, \$72 million or 3.7% more than last March.

- March revenues were \$99 million below benchmark - \$132 million above benchmark year-to-date
- Some income tax refunds were delayed in February due to concerns of fraud and released in March impacting revenues
- Corporate & business taxes up \$103 million over last March and on target for benchmark
- Sales and use tax revenue ended month below benchmark likely due to weather-related sales losses

Despite strong performance in estate tax collections, March revenue collections were more than offset by the release of tax refunds this month that had been held up in February for additional scrutiny. That combined with weak performance in income tax payments with returns and extensions and just below benchmark performance in sales and use tax collections, to end the month with revenues at \$99 million below the monthly benchmark. Revenue collections, nine months into the fiscal year, totaled \$17.351 billion, up \$869 million or 5.3 percent over the same period last year. Excluding \$158 million in one-time tax-related settlement payments, year-to-date revenues totaled \$17.193 billion, \$711 million or 4.3 percent more than the same period last year and \$132 million above the year-to-date benchmark.

“A number of tax refunds that were delayed in February, following widespread reports of fraud across the country, were released in March impacting the month’s revenues as expected,” said Commissioner Nunnelly. “Income tax withholding is on target for the month, and slightly ahead of benchmark year-to-date, indicating economic stability and continued improvement. Sales and use tax revenue is lagging, undoubtedly due to weather-related sales losses.”

March is the largest collection month of the year for corporate and business payments as tax returns and extensions for the previous year are due along with the first quarterly estimated payments for the new tax year. Excluding one-time tax settlement payments, corporate and business tax collections totaled \$757 million for the month, \$103 million or 15.7 percent higher than a year ago and at benchmark. Year-to-date collections (excluding one-time tax settlements) totaled \$1.728 billion, down \$179 million or 9.4 percent compared to the same period last year and \$71 million below the year-to-date benchmark.

Income tax withholding totaled \$1.037 billion for March, \$39 million or 3.9 percent more than a year ago and \$1 million above the monthly benchmark. Year-to-date collections totaled \$8.419 billion, up \$398 million or 5.0 percent from the same period last year, \$58 million over the year-to-date benchmark.

Income tax cash refunds totaled \$447 million, up \$113 million from last March. The issuing of refunds is mostly back on track after the February delays. Year-to-date refunds are still down \$62 million from the same period last year, which probably means that we will see more refund catch-up in April.

Sales tax collections for March totaled \$414 million, up \$10 million or 2.6 percent from the same period a year ago and \$6 million below benchmark for the month. Year-to-date collections were up \$189 million or 4.7 percent from the same period last year but \$62 million less than the year-to-date benchmark. Record setting snowfall and severe winter weather have impacted sales tax collections. While there have been sales losses, some may be temporary as consumers catch up on deferred purchases.

Corporate and business tax amnesty collections, from the amnesty program, which began March 16, totaled just over \$163,000 from 281 participating taxpayers through the end of March. Amnesty collections were below the March estimate of \$3.6 million. It is too soon to speculate if collections will achieve the projected amount of \$18 million by the end of the program on May 15, 2015.