



MASSACHUSETTS DEPARTMENT OF REVENUE

Christopher C. Harding, Commissioner

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March Revenue Collections Total \$2.243 Billion

Monthly collections down \$36 million vs March 2017 actual; up \$176 million from monthly benchmark estimate, primarily driven by earlier-than-anticipated corporate return filings

(Boston, MA) – Massachusetts Department of Revenue (DOR) Commissioner Christopher C. Harding today announced that preliminary revenue collections for March totaled \$2.243 billion, which is \$36 million or 1.6% less than the actual collections in March 2017, and \$176 million or 8.5% above the revised March benchmark estimate (*). Year-to-date revenue collections through the first nine months of Fiscal Year 2018 are now \$892 million ahead of benchmark.

“March revenues were virtually flat versus the same month in Fiscal Year 2017, but finished above benchmark estimate by \$176 million primarily due to higher-than-expected collections in corporate and business taxes,” said Commissioner Harding. “DOR had anticipated that corporate and business taxpayers would take advantage of a recent statutory change in the corporate filing schedule that shifted the March reporting deadline to April to conform with the federal corporate filing schedule. However, a higher number of corporate taxpayers than estimated continued to file in March 2018.”

“Income tax withholding and sales tax remained solid and modestly ahead of benchmark estimates. Income tax refunds were higher than expected for the month, which somewhat reduced the year-to-date revenues in non-withholding income,” continued Commissioner Harding. “DOR will continue to closely monitor revenues for the final three months of Fiscal Year 2018 as April, May and June traditionally contribute about 30% of the Commonwealth’s annual tax collections. We continue to expect that the year-to-date performance over benchmark will diminish, as timing differences in both personal income and corporate taxes normalize in the coming months.”

- March 2018 revenues of \$2.243 billion were \$36 million or 1.6% less than last March, and \$176 million above benchmark estimate
- Income tax collections were \$69 million or 7.7% ahead of last March, and \$15 million below benchmark estimate
- Withholding collections (a subcategory of income tax) were \$105 million or 9.3% ahead of last March, \$44 million above the monthly benchmark estimate
- Sales and use tax collections were \$22 million or 4.8% ahead of last March, and \$16 million above the monthly benchmark estimate
- Corporate and business taxes were \$138 million less than last March, but \$165 million above the monthly benchmark estimate
- Other taxes, which include motor fuels, cigarette, estate, and other categories, were \$11 million or 6.8% ahead of last March, and \$10 million above the monthly benchmark estimate
- For the fiscal year-to-date period, revenues of \$19.393 billion were \$1.263 billion or 7.0% ahead of the prior year figure, and are \$892 million or 4.8% above benchmark estimate

Details:

- Income tax collections for March were \$959 million, \$15 million or 1.5% below benchmark estimate and \$69 million or 7.7% above last year.
 - Withholding collections for March totaled \$1.238 billion, \$44 million or 3.7% above benchmark estimate and \$105 million or 9.3% more than 2017.
 - Income tax estimated payments totaled \$20 million for March, \$1 million or 4.6% less than benchmark estimate and \$0.5 million or 2.2% below March 2017.
 - Income returns and bills totaled \$95 million for March, \$12 million or 14.8% more than benchmark estimate and \$25 million or 36.4% above March 2017.
 - Income cash refunds in March totaled \$394 million in outflows, \$70 million more than benchmark estimate and \$61 million more than prior year. Some of the increase is attributable to a higher refund processing level over last March. In general, month-to-month variations in refunds are not unusual as the filing season progresses.
 - Sales and use tax collections for March totaled \$474 million, which is \$16 million or 3.4% more than benchmark estimate and \$22 million or 4.8% more than March 2017.
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- Corporate and business tax collections for the month totaled \$643 million, down \$138 million or 17.6%, but \$165 million above the March benchmark estimate. Corporate returns formerly due in March are now due in April, as Massachusetts recently updated its laws to align with a prior federal legislative change. The benchmark estimates for the full months of March and April reflect this change. Although some corporate taxpayers followed the new due date, resulting in a decline in March return/total payments, more corporate taxpayers than anticipated appear to have followed the previous due date, resulting in above benchmark performance in return/total payments.
- Other tax collections for March totaled \$168 million, which is \$10 million or 6.5% more than benchmark estimate and \$11 million or 6.8% more than March 2017.

(*) On January 12, 2018, Administration and Finance Secretary Michael J. Heffernan revised the Fiscal Year 2018 state tax revenue estimate upward by \$157 million, from \$26.504 billion to \$26.661 billion, to reflect strong year-to-date performance in the category of income tax withholding.

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