

For Immediate Release - June 03, 2015

May Revenue Collections Total \$1.836 Billion

Monthly revenues \$228 million above benchmark, \$389 million for the year

(Boston, MA) Revenue Commissioner Mark Nunnely today announced that preliminary revenue collections for May totaled \$1.836 billion, \$214 million or 13.2 percent more than last May. A surge in withholding collections is largely responsible for the increase in revenues this month, along with greater than expected income tax payments with returns and bills. With one month to go in the fiscal year, total year-to-date collections of \$22.063 billion (not including \$183.4 million in large settlement payments), are \$1.222 billion or 5.9 percent above that of a year ago and \$389 million above the year-to-date benchmark.

- Revenues exceeded benchmark by \$228 million in May and \$389 million year to date
- Income tax collections for May were up \$241 million and \$194 million above benchmark
- Corporate and business taxes were up \$19 million in May, \$30 million above benchmark
- Sales and use tax collections for May totaled \$490 million, \$6 million below benchmark

“The improvement in labor markets continues this month as evidenced by the increase in withholding, even after accounting for some possible acceleration of June payments into this month,” said Commissioner Nunnely. “We saw further evidence of recovery in the withholding performance with the growth of bonus-related revenues in the finance, insurance and biotech manufacturing industries.”

Income tax withholding totaled \$915 million for the month, up \$111 million or 13.8 percent over last year and \$81 million ahead of benchmark. Year-to-date withholding collections are \$136 million above benchmark.

Income tax payments with returns or bills totaled \$231 million, up \$130 million or 128.5 percent from the same time last year and \$114 million above the monthly benchmark. The growth in this month’s income tax return and bill payments is partially due to processing delays (shifting of payments from April to May), but notably cumulative payments to date are relatively better than expected at \$24 million above year-to-date benchmark.

Income tax estimated payments totaled \$24 million for the month, up \$4 million or 20.2 percent from last May and \$4 million above benchmark. Year-to-date collections are \$221 million above benchmark.

The Federal Government and other states have experienced similar revenue performance, particularly in income estimated payments and payments with bills and returns, which likely reflect capital gains on investment-related income, a volatile revenue source.

Sales tax collections totaled \$490 million for May, up \$17 million or 3.6 percent from the same time last year and \$6 million below benchmark for the month. Year-to-date sales and use tax collections total \$5.243 billion, up \$234 million or 4.7 percent from the same period last year and \$66 million below benchmark.

An unemployment insurance surcharge, a non-DOR tax category, of more than \$10 million was paid in May, although it was originally expected to be remitted in June, and is reflected in the All Other tax category.

With no quarterly estimated payments due, May is generally not a significant month for corporate and business tax collections. Collections for the month totaled \$81 million, up \$19 million over last year and \$30 million above the monthly benchmark, some of which is attributable to corporate and business amnesty collections.

The two-month corporate and business amnesty program, that began on March 16 and ended on May 15, resulted in total collections of approximately \$15 million, about \$3 million less than the budgeted estimate of \$18 million. Amnesty collections will continue to be reviewed and accepted for taxpayers who meet the timing criteria for submitting payments, and the \$15 million total may change in the coming weeks.