

For Immediate Release - December 02, 2016

State Tax Revenue Collections Total \$1.503 Billion for November, \$9.475 Billion Year-to-Date

\$51 million in additional November collections will be reflected in December revenue

(Boston, MA) – Michael J. Heffernan, Commissioner of the Massachusetts Department of Revenue (DOR), announced today that preliminary revenue collections for November totaled \$1.503 billion, which is \$152 million (-9.2%) below the monthly benchmark and \$72 million, (-0.8%) below the year-to-date benchmark.

The reported November revenue collections exclude an additional \$51 million received in November, but will be recorded in December due to a temporary pause of processing collections during the implementation of the MassTaxConnect system.

Absent the processing pause, November revenue collections would have totaled \$1.554 billion, which is \$101 million (-6.1%) below the monthly benchmark, and \$21 million (-0.2%) below year-to-date benchmark. November revenue also reflects expected timing adjustments in withholding and corporate collections which had been received and recorded in October.

“Year-to-date revenues, taking into account the \$51 million timing change due to the MassTaxConnect conversion, remain close to our estimates,” said Commissioner Heffernan. “Similar to October, sales tax collections in November continued to closely track to our recently-revised outlook for that category.”

- Revenues were \$72 million below benchmark for November, although approximately \$51 million of tax collections will be pushed to December due to the transition to MassTaxConnect.
- November 2016 revenues were \$1.503 billion, which is \$152 million or 9.2% below the monthly benchmark and \$156 million less than November 2015.
- Income tax collections were \$95 million below the monthly benchmark.
- Sales and use tax collections were \$1 million below the monthly benchmark.
- Corporate and business taxes were \$52 million below the monthly benchmark.
- Other taxes, which include motor fuels, cigarette, estate, and other categories, were \$4 million below the monthly benchmark.

The transition to the Commonwealth's new tax system required the shutdown of tax processing in MassTaxConnect from November 28 through November 30, resulting in a shift of approximately \$51 million of payments into December.

- November is one of the smaller tax collection months, with no quarterly estimated payments due for businesses or individuals.¹
- As anticipated, refunds are higher in November as processing of returns to meet the October 15 extension deadline continued into the month.
- Income tax collections for November were \$854 million, \$95 million or 10% below the monthly benchmark and \$117 million less than November 2015.
- Withholding collections of \$891 million for the month are \$71 million or 7.4% below the monthly benchmark and \$75 million less than November 2015. For the fiscal year-to-date, withholding is 0.1% below benchmark.
- Income tax estimated payments totaled \$23 million, which are \$3 million or 14.3% more than the monthly benchmark and \$3 million more than November 2015.
- Payments with returns & bills for November totaled \$22 million, which are \$11 million or 33.4% less than the monthly benchmark and \$35 million less than November 2015.
- Income cash refunds in November totaled \$81 million in outflows, which are \$16 million more than the monthly benchmark and \$10 million more than November 2015.
- Sales and use tax collections for November totaled \$500 million, which are \$1 million or 0.3% below the monthly benchmark. They also represent an increase of \$17 million or 3.5% from November 2015.
- Corporate and business tax collections for the month were a negative \$39 million. This outflow reflects refunds paid in October. Note that the month of October was very strong, in part because refunds were lower than expected. Therefore, the November outflow makes the year-to-date closer to benchmark: year-to-date revenues are \$623 million, which is \$4 million or 0.6% below benchmark.
- Other tax collections for November totaled \$187 million, down \$2 million versus last November and \$4 million below the monthly benchmark.