

For Immediate Release - November 03, 2016

October Revenue Collections Total \$1.787 Billion

Income & corporate above benchmark, sales tax below revised benchmark - Total FY17 year-to-date collections up \$79 million (1.0%) over benchmark

(Boston, MA) – Michael J. Heffernan, Commissioner of the Massachusetts Department of Revenue, announced today that preliminary revenue collections for October totaled \$1.787 billion, bringing the Fiscal Year 2017 (FY17) total to \$7.971 billion, which is 1.0% above revised benchmark.

“October collections are in line with the Commonwealth’s recently-adjusted state tax revenue outlook. While income and corporate collections were ahead of benchmark, sales tax came in slightly below the recently-revised benchmark,” said Commissioner Heffernan.

On October 14, 2016, Administration and Finance Secretary Kristen Lepore revised the outlook for FY17 sales & use tax revenues downward by \$175 million. In October, total sales tax revenues were \$536 million, which is \$2 million or 0.4% below the revised benchmark. Without that revision, the shortfall would have been larger, approximately \$16 million, or 2.8% below the original benchmark.

- October 2016 revenues were \$1.787 billion, which is \$79 million or 4.6% more than the revised monthly benchmark and \$123 million more than October 2015
- Fiscal year-to-date revenues are 1.0% over revised benchmark, and \$356 million or 4.7% above the same period in 2015
- Income tax collections were \$43 million or 4.5% above the monthly benchmark
- Sales and use tax collections of \$536 million were slightly (\$2 million or 0.4%) below the revised monthly benchmark
- Corporate and business taxes were \$47 million above the monthly benchmark
- Other taxes, which include motor fuels, cigarette, estate, and other categories, were \$9 million or 4.5% below the monthly benchmark

October is one of the smaller tax collection months, with no quarterly estimated payments due for individuals.

- Income tax collections for October were \$1.003 billion, which is \$43 million or 4.5% above the monthly benchmark and \$71 million more than October 2015.

- Withholding collections of \$960 million for the month are \$62 million or 6.9% above benchmark and \$129 million more than October 2015. For the fiscal year-to-date, withholding is 1.7% above benchmark.
- Income tax estimated payments totaled \$41 million, which are \$11 million or 21.2% less than the monthly benchmark and \$12 million below October 2015.
- Payments with returns & bills for October totaled \$92 million, which are \$5 million less than the monthly benchmark and \$11 million less than October 2015.
- Income cash refunds in October totaled \$90 million in outflows, which are \$3 million more than the monthly benchmark and \$35 million more than October 2015. Taxpayers who file extensions for the April deadline are required to complete their returns in October, which can result in increased refund activity.
- Sales and use tax collections for October totaled \$536 million, which are \$2 million or 0.4% below the monthly benchmark. They also represent an increase of \$15 million or 2.9% from October 2015. A portion of this increase is attributable to the absence of a sales tax holiday in 2016, which shifted more taxable transactions to September versus the prior year. The resulting revenues are reflected in October.
- Corporate and business tax collections for the month totaled \$59 million, up \$43 million from last October and \$47 million above the monthly benchmark. The year-to-date revenues for corporate and business taxes are expected to trend closer to the benchmark over time.
- Other tax collections for October totaled \$189 million, down \$6 million versus last October and \$9 million below the monthly benchmark.