



# The Commonwealth of Massachusetts Bond Financing Programs

November 14<sup>th</sup>, 2025  
Commonwealth Credit Review



# Replay Information



**Please note that a replay of the investor broadcast associated with the following slides is available. The replay can be accessed by following the link below and will remain available until November 14<sup>th</sup>, 2026**

<http://munios.com/live/MACommonwealthNov2025>

**The full slide deck for this call is found in the pages below. These slides as well as those of prior investor calls may also be accessed by visiting the Investor and Rating Agency Presentation Archive on the Commonwealth's investor website at:**

[www.massbondholder.com](http://www.massbondholder.com)

**For audio, participants are asked to dial in using the following information:**

Dial-in: +1-877-221-8785

Passcode: 926385

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# TREASURER

Deborah B. Goldberg



# GOVERNOR

Maura Healey



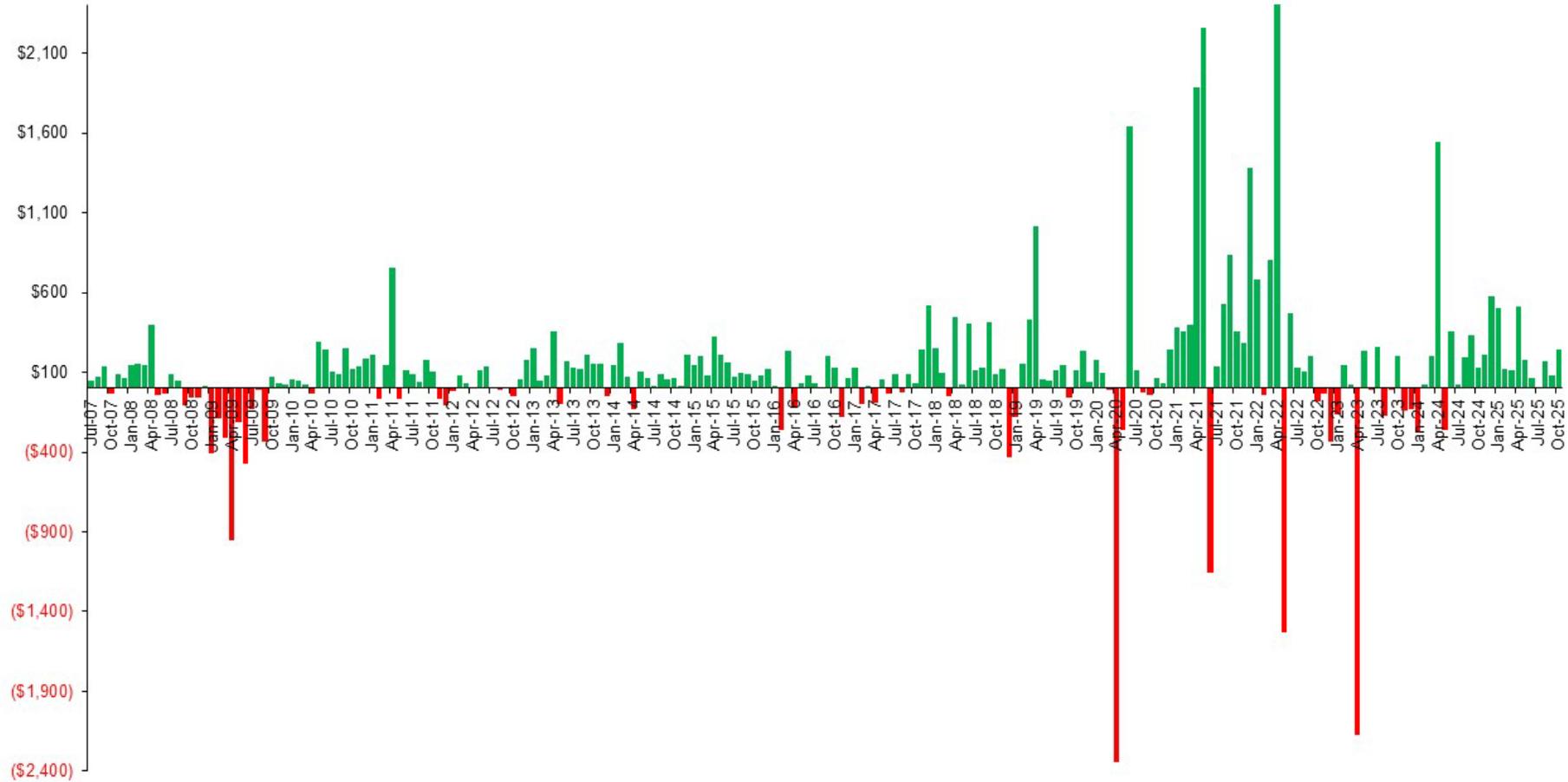
# DEPARTMENT OF REVENUE

Dr. Kazim P. Özyurt

*Chief Economist,*

*Director, Office of Tax Analysis*

# Monthly year-over-year changes in collections - July 2007- October 2025



# Recap of FY25 Revenue Performance



## June 2025 Tax Collections Summary (in \$ millions) Preliminary as of August 08, 2025

	Month of June					FY25 YTD as of June				
	06/25 Actual Collections	06/25 v. 06/24 \$ Fav/(Unfav)	06/25 v. 06/24 % Fav/(Unfav)	06/25 Actual v. Benchmark \$ Fav/(Unfav)	06/25 Actual v. Benchmark % Fav/(Unfav)	06/25 YTD Actual Collections	06/25 YTD v. 06/24 YTD \$ Fav/(Unfav)	06/25 YTD v. 06/24 YTD % Fav/(Unfav)	06/25 YTD Actual v. Benchmark \$ Fav/(Unfav)	06/25 YTD Actual v. Benchmark % Fav/(Unfav)
<b>Income</b>										
Income Withholding	1,583	(30)	-1.9%	(57)	-3.5%	19,058	1,091	+6.1%	329	+1.8%
Income Est. Payments	1,021	101	+11.0%	111	+12.3%	4,762	842	+21.5%	821	+20.8%
Income Returns/Bills	120	5	+4.6%	27	+28.6%	5,771	766	+15.3%	1,404	+32.2%
Income Refunds Net (outflow)	(120)	(36)	-42.4%	(35)	-42.0%	(2,879)	(105)	-3.8%	(130)	-4.7%
Subtotal Non-withheld Income	1,022	71	+7.5%	103	+11.2%	7,653	1,503	+24.4%	2,095	+37.7%
<b>Subtotal Income</b>	<b>2,605</b>	<b>41</b>	<b>+1.6%</b>	<b>45</b>	<b>+1.8%</b>	<b>26,711</b>	<b>2,595</b>	<b>+10.8%</b>	<b>2,424</b>	<b>+10.0%</b>
<b>Sales &amp; Use</b>										
Sales - Regular	590	45	+8.3%	6	+1.1%	6,778	204	+3.1%	(100)	-1.5%
Sales - Meals	154	26	+20.0%	12	+8.5%	1,635	86	+5.5%	8	+0.5%
Sales - Motor Vehicles	118	6	+5.4%	(12)	-9.2%	1,200	1	+0.1%	(124)	-9.4%
<b>Subtotal Sales &amp; Use</b>	<b>862</b>	<b>77</b>	<b>+9.8%</b>	<b>6</b>	<b>+0.8%</b>	<b>9,613</b>	<b>290</b>	<b>+3.1%</b>	<b>(216)</b>	<b>-2.2%</b>
<b>Corporate &amp; Business - Total</b>	<b>851</b>	<b>(28)</b>	<b>-3.1%</b>	<b>(6)</b>	<b>-0.8%</b>	<b>4,662</b>	<b>(171)</b>	<b>-3.5%</b>	<b>(355)</b>	<b>-7.1%</b>
<b>All Other</b>	<b>244</b>	<b>(23)</b>	<b>-8.5%</b>	<b>17</b>	<b>+7.6%</b>	<b>2,722</b>	<b>194</b>	<b>+7.7%</b>	<b>248</b>	<b>+10.0%</b>
<b>Total Tax Collections</b>	<b>4,562</b>	<b>67</b>	<b>+1.5%</b>	<b>63</b>	<b>+1.4%</b>	<b>43,708</b>	<b>2,908</b>	<b>+7.1%</b>	<b>2,101</b>	<b>+5.1%</b>

Note: The figures above exclude Tax-Related Settlements & Judgments exceeding \$10 million each. The total for these was \$58.34 million in FY25 year-to-date.



# Recap of FY25 Revenue Performance

- **Total \$43.7 billion:**
  - **up** \$2.9 billion, or 7.1% **over** FY24
  - \$2.1 billion, or 5.1% **above** FY25 benchmark
  - **increases** in **withholding** income tax and **non-withheld** income tax, **sales and use** tax, and **“all other”** tax partially offset by a **decrease** in **corporate & business** tax
- Major tax categories:
  - **Corporate and business** tax, \$355M **below** benchmark
  - **Sales & use** tax, \$216M **below** benchmark
  - **Withholding** income tax, \$329M **above** benchmark
  - **Non-withheld** income tax, \$2.1B **above** benchmark
  - **“All other”** tax, \$248M **above** benchmark
- **Capital gains tax:**
  - Total \$2.44B, **up** \$430M from FY24, \$876M **above** the FY25 threshold of \$1.564B
- **Surtax:**
  - Total \$2.987B, **up** \$527M from FY24

# FY26 Year-to-Date (Through October) Tax Collections



	Month of October					FY26 YTD as of October				
	10/25 Actual Collections	10/25 v. 10/24 \$ Fav/(Unfav)	10/25 v. 10/24 % Fav/(Unfav)	10/25 Actual v. Benchmark \$ Fav/(Unfav)	10/25 Actual v. Benchmark % Fav/(Unfav)	10/25 YTD Actual Collections	10/25 YTD v. 10/24 YTD \$ Fav/(Unfav)	10/25 YTD v. 10/24 YTD % Fav/(Unfav)	10/25 YTD Actual v. Benchmark \$ Fav/(Unfav)	10/25 YTD Actual v. Benchmark % Fav/(Unfav)
<b>Income</b>										
Income Withholding	1,530	117	+8.3%	53	+3.6%	6,107	365	+6.4%	(22)	-0.4%
Income Est. Payments	108	22	+26.2%	20	+22.1%	1,463	196	+15.5%	156	+11.9%
Income Returns/Bills	282	9	+3.3%	(13)	-4.3%	597	18	+3.0%	(19)	-3.1%
Income Refunds Net (outflow)	(148)	30	+16.8%	49	+24.8%	(311)	47	+13.1%	84	+21.3%
<b>Subtotal Non-withheld Income</b>	<b>242</b>	<b>61</b>	<b>+34.0%</b>	<b>56</b>	<b>+29.9%</b>	<b>1,749</b>	<b>261</b>	<b>+17.5%</b>	<b>221</b>	<b>+14.5%</b>
<b>Subtotal Income</b>	<b>1,773</b>	<b>178</b>	<b>+11.2%</b>	<b>109</b>	<b>+6.6%</b>	<b>7,856</b>	<b>626</b>	<b>+8.7%</b>	<b>200</b>	<b>+2.6%</b>
<b>Sales &amp; Use</b>										
Sales - Regular	580	17	+3.0%	19	+3.4%	2,275	49	+2.2%	40	+1.8%
Sales - Meals	152	(2)	-1.0%	(13)	-7.7%	609	14	+2.4%	(8)	-1.4%
<b>Sales - Motor Vehicles</b>	<b>102</b>	<b>3</b>	<b>+2.8%</b>	<b>4</b>	<b>+3.8%</b>	<b>389</b>	<b>(3)</b>	<b>-0.9%</b>	<b>8</b>	<b>+2.2%</b>
<b>Subtotal Sales &amp; Use</b>	<b>835</b>	<b>18</b>	<b>+2.2%</b>	<b>10</b>	<b>+1.2%</b>	<b>3,272</b>	<b>59</b>	<b>+1.8%</b>	<b>40</b>	<b>+1.2%</b>
Corporate & Business - Total	68	0	+0.2%	(1)	-1.0%	913	(236)	-20.5%	(210)	-18.7%
All Other	252	44	+21.3%	44	+21.2%	969	101	+11.6%	69	+7.7%
<b>Total Tax Collections</b>	<b>2,927</b>	<b>241</b>	<b>+9.0%</b>	<b>162</b>	<b>+5.9%</b>	<b>13,010</b>	<b>550</b>	<b>+4.4%</b>	<b>99</b>	<b>+0.8%</b>

# FY26 Year-to-Date Tax Collections



- **Positive** performances versus benchmark in:

- **non-withheld income tax**
- **sales & use tax**, and
- **“all other” tax**,

partially offset by

- **Negative** performances versus benchmark in

- **withholding** income tax, and
- **corporate & business tax**

- **Year-to-date total** of \$13 billion:

- \$550 million, or 4.4% **more** than the same period in fiscal 2025
- \$99 million, or 0.8% **above** year-to date benchmark

# FY26 Year-to-Date Tax Collections



## *Major tax categories:*

- **Withholding** income tax: \$6.1B, +\$365M, +6.4% from the same period in fiscal 2025, **but** \$22M or 0.4% **below** the year-to-date benchmark
- **Non-withheld** income tax: \$1.7B, +\$261M or +17.5% from last year, and \$221M or 14.5% **above** benchmark
- **Sales & use** tax: \$3.3B, +\$59M or +1.8% from last year, and \$40M or 1.2% **above** benchmark
- **Corporate and business** tax: \$913M, -\$236M or -20.5% from last year, and \$210M or 18.7% **below** benchmark
- **“All other”** tax: \$969M, +\$101M or +11.6% from last year, and \$69M or 7.7% **above** benchmark



# EXECUTIVE OFFICE FOR ADMINISTRATION & FINANCE (A&F)

Matthew Gorzkowicz

*Secretary*

Kaitlyn Connors

*Assistant Secretary for Capital*

Christopher Marino

*Assistant Secretary for Budget*



## Fiscal Year 2025 Approved Operating Budget

- The fiscal year 2025 budget was approved by the Governor on July 29, 2024, providing for approximately **\$57.78 billion** in authorized spending. In signing the budget, the Governor vetoed **\$248 million in net spending** or **\$317 million in gross spending** approved by the Legislature
  - These actions resulted in a budget that was **\$353 million** or **0.6%** less than the Governor's initial budget proposal
- The fiscal year 2025 signed budget was approximately **3.1%** greater than the fiscal year 2024 enacted budget at the time of the Governor's approval. The fiscal year 2025 budget as approved by the Governor incorporated a **\$41.662 billion** tax revenue forecast, which reflected the consensus tax revenue estimate of **\$40.202 billion**, the **\$1.3 billion** estimate of revenue from the 4% surtax on personal income above \$1 million (adjusted annually for inflation), and **\$160 million** incremental impact from the implementation of a two month tax amnesty program together with tax enforcement initiatives and the elimination of tax loopholes enacted as a part of the budget
- The final budgeted tax revenue estimate was set at **\$41.607 billion** after adjusting for the impact of the Affordable Homes Act signed by the Governor on August 6, 2024
- The enacted budget additionally allowed **\$375 million** in capital gains tax revenue above the threshold to be diverted from the Stabilization Fund to be used for expenditures, if necessary, and contained provisions authorizing online Lottery sales for individuals 21 years and older, free community college for certain Massachusetts residents, free regional transportation and continuation of certain COVID-era childcare subsidies



## Fiscal Year 2025 Approved Operating Budget (cont.)

- On February 28, 2025, the Governor approved a supplemental budget for fiscal year 2025 allocating an additional \$425 million from the Transitional Escrow Fund to support emergency shelter assistance spending, including additional aid to school districts impacted by increased student enrollment and communities hosting unhoused families and family shelter sites. The enacted legislation also included changes to the Commonwealth's right to shelter law in order to address the needs of unhoused families while ensuring the long-term sustainability of the state shelter system
- Over the course of the fiscal year, the Governor approved several separate supplemental budgets with critical spending first filed by the Administration on April 2, 2025. On May 15, 2025, the Governor enacted \$240 million for state employee health care costs. On May 29, 2025, the Governor approved \$189.6 million for early education and care provider services. On August 5, 2025, the Governor signed a \$231.8 million law for remaining mid-year supplemental budget needs, including \$60 million for home care costs and \$40 million for public defender services
- On September 22, 2025, the Governor signed a \$234 million supplemental budget into law to support the state's health care system. The enacted legislation provides \$199 million for fiscally-distressed hospitals and \$34 million for community health centers
- On August 14, 2025, the Governor filed a supplemental budget providing \$2.45 billion gross (\$947 million net) for year-end bills. Notable spending includes \$2.046 billion gross (\$539.7 million net) for MassHealth, \$75 million for housing stabilization programs, and \$60.7 million for snow and ice removal costs. The legislation is under review by the Legislature



## Fiscal Year 2026 Approved Operating Budget

- On July 4, 2025, Governor Healey approved the fiscal year 2026 budget recommendation, totaling **\$60.9 billion**, including **\$2.4 billion** in income surtax spending. In signing the budget, the Governor vetoed **\$130 million in spending** approved by the Legislature
  - The enacted budget spends approximately \$1 billion less than the version filed by the Governor in January 2025
  - In addition, the Governor announced the continuation of an executive branch hiring freeze, halting a planned non-union manager pay raise scheduled for January, and delaying the release of certain project funds until better information was available on tax revenues
- The fiscal year 2026 enacted budget incorporates **\$41.214 billion** (excluding estimated income surtax revenues) in estimated tax revenue, representing revenue growth of **2.25%** above the fiscal year 2025 benchmark
- In addition, the budget is balanced on and spends **\$2.4 billion** from the 4% surtax for income over \$1 million, including local school aid, free community college, free and reduced fare initiatives across the state's public transportation system, and early education and care provider grants



## Income Surtax Supplemental Budget

- On June 24, 2025, the Governor approved a \$1.39 billion supplemental budget, primarily spending excess income surtax collections
- Income surtax collections began in fiscal year 2023, and the fiscal year 2024 budget was the first to include investments from those collections. In fiscal year 2024, the General Appropriations Act budgeted for **\$1 billion** in surtax collections. Final fiscal year 2024 collections totaled **\$2.46 billion** with the vast majority available for supplemental spending bills
- The enacted law includes **\$759 million** for investments in our transportation system and **\$629 million** for education initiatives. Notable investments include:
  - **\$548 million** for the MBTA to stabilize operations
  - **\$50 million** for regional transit authority operational and capital supports
  - **\$248 million** for special education supports
  - **\$115 million** for higher education institution capital supports
  - **\$100 million** for career technical education capital grants



## Capital Investment Plan

- On June 30, 2025, the Governor announced the five-year capital investment plan for fiscal years 2026 through 2030 (FY26-30 CIP), with an administrative general obligation (G.O.) bond cap **of \$3.227 billion** for fiscal year 2026. This represents a **3.5%** increase over the administrative bond cap recommendation in fiscal year 2025
- The plan includes major capital investments designed to make the Commonwealth more affordable, competitive, and equitable
- Highlights include historic levels of funding for housing development, preservation and rehabilitation. It also expands support for successful economic development programs, dedicates crucial resources to update and strengthen state infrastructure, and reflects the administration's commitment to meeting the state's climate and resiliency goals
- To support agencies' ability to better plan for the future, the Executive Office for Administration and Finance also established an initial bond cap recommendation for fiscal 2027 – currently set at **\$3.337 billion**, which represents a 3.4% increase over the fiscal 2026 bond cap. This initial recommendation is in line with Capital Debt Affordability Committee modeling and analysis
- Actual capital spending is subject to variance from budget due to the nature of capital projects, the programs comprising the plan, and actual needs. In addition, the debt affordability analysis and the assumptions and methodology that inform the analysis are subject to periodic review and are updated annually. These and other factors are expected to affect the later years of the current five-year plan



# OFFICE OF THE STATE TREASURER

## Debt/Capital Presentation

Sue Perez  
*Deputy Treasurer*

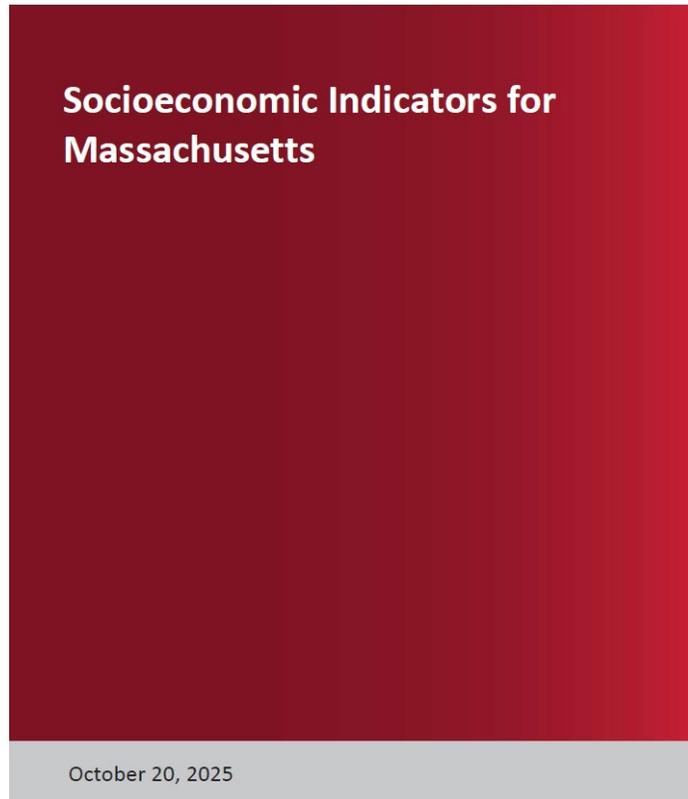
# Bond Sale Calendar – 2025/2026\*



Timing	Par Amount	Type	Credit	Method of Sale
Q4 2025				
• December 3 <sup>rd</sup>	\$750 million	New Money	GO (Tax Exempt)	Negotiated
• December 3 <sup>rd</sup>	\$350 million	Refunding	GO (Tax Exempt)	Negotiated
Q1 2026				
• March/April	\$750 million	New Money	GO (Tax Exempt)	TBD
Q2 2026				
• June	\$750 million	New Money	GO (Tax Exempt)	TBD
Q3 2026				
• August	\$750 million	New Money	GO (Tax Exempt)	TBD
Q4 2026				
• October	TBD	New Money	CTF (Tax Exempt)	Negotiated
• October	TBD	New Money	GANS (Tax Exempt)	Negotiated

\* Preliminary, subject to change.

The latest edition of our Socioeconomic Indicators Report was published in November. The edition includes four sections: **Economy**, **Workforce**, **Environment** and **Residents**. Each section paints a picture on Massachusetts providing a story along with economic data



## Highlights from this Edition

- **Employment Growth in Massachusetts**
- **Growth in Real Product by Quarter**
- **Massachusetts Workforce**
- **Leisure and Hospitality**
- **Imports and Exports**
- **Job Recovery Rates**
- **Labor Force Participation**
- **Telework**
- **Environment - Climate Change**
- **Housing**

# Transaction Summary\*



## General Obligation Bonds Consolidated Loan of 2025, Series G and General Obligation Refunding Bonds, 2025 Series B

<b>Issuer</b>	The Commonwealth of Massachusetts (the "Commonwealth")	
<b>Series</b>	General Obligation Bonds Consolidated Loan of 2025, Series G	General Obligation Refunding Bonds, 2025 Series B
<b>Par Amount*</b>	\$750,000,000	\$350,000,000
<b>Tax Status</b>	Federal and Commonwealth of Massachusetts Tax-Exempt	
<b>Pricing Dates*</b>	Week of December 3, 2025	
<b>Delivery Date*</b>	Thursday, December 11, 2025	
<b>Bookrunning Senior Manager</b>	BofA Securities	
<b>Additional Information</b>	Investor Roadshow will be posted week of November 14th <a href="http://www.massbondholder.com">www.massbondholder.com</a>	

# Transaction Timeline and Contacts



November 2025						
S	M	T	W	T	F	S
						1
2	3	4	5	6	2	8
9	10	11	12	13	9	15
16	17	18	19	20	16	22
23	24	25	26	27	23	29

December 2025						
S	M	T	W	T	F	S
30	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

Financing Schedule*	
Date	Event
Thursday, November 20 <sup>th</sup>	Mail Preliminary Official Statement
Tuesday, December 2 <sup>nd</sup>	Retail Order Period
Wednesday, December 3 <sup>rd</sup>	Institutional Order Period
Thursday, December 11 <sup>th</sup>	Closing

Representatives from the Commonwealth are available for one-on-one discussions.

For additional information or to schedule a one-on-one call, please contact:

**The Commonwealth of Massachusetts**

**Sue Perez**  
*Deputy Treasurer of Debt Management*  
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**For more information, please visit: [www.massbondholder.com](http://www.massbondholder.com)**

\*Preliminary, subject to change



# Questions