The Commonwealth of Massachusetts Bond Financing Programs

October 16th, 2026

Commonwealth Credit Review



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http://munios.com/live/MACommonwealthOct2026

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

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

Deborah B. Goldberg

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GOVERNOR

Maura Healey

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DEPARTMENT OF REVENUE

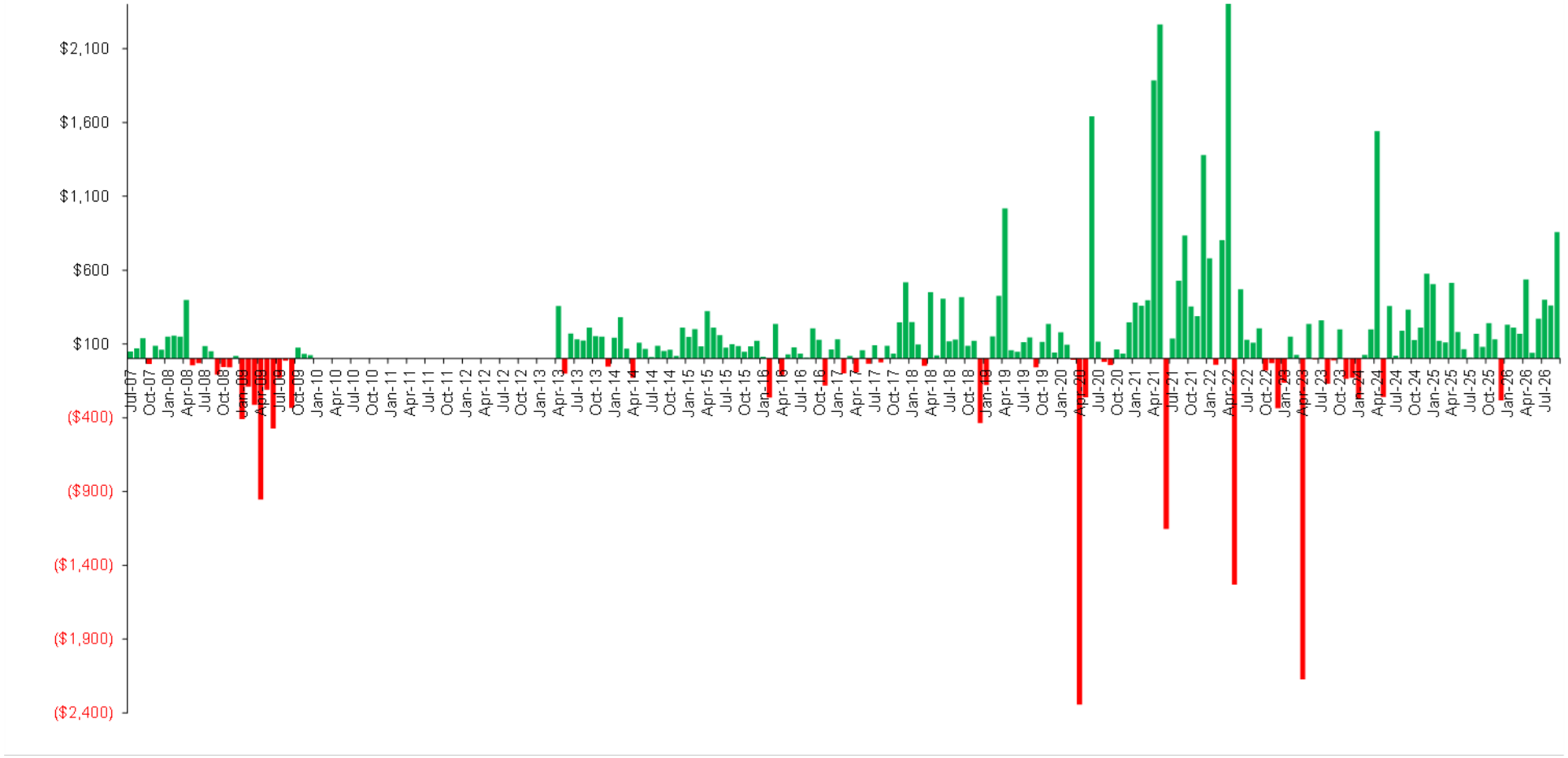
Dr. Kazim P. Özyurt

Chief Economist,

Director, Office of Tax Analysis

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Monthly year-over-year changes in collections (July 2007- September 2026)



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Recap of FY26 Revenue Performance

FY26 Tax Revenues

	06/26 Actual Collections	06/26 v. 06/25 $ Fav/(Unfav)	06/26 v. 06/25 % Fav/(Unfav)	06/26 Actual v. Benchmark $ Fav/(Unfav)	06/26 Actual v. Benchmark % Fav/(Unfav)
Income					
Income Withholding	20,243	1,187	+6.2%	414	+2.1%
Income Est. Payments	5,312	550	+11.6%	753	+16.5%
Income Returns/Bills	6,255	480	+8.3%	953	+18.0%
Income Refunds Net (outflow)	(3,058)	(178)	-6.2%	(8)	-0.3%
Subtotal Non-withheld Income	8,509	852	+11.1%	1,698	+24.9%
Subtotal Income	**28,751**	**2,039**	**+7.6%**	**2,111**	**+7.9%**
Sales & Use					
Sales - Regular	6,972	209	+3.1%	245	+3.6%
Sales - Meals	1,658	22	+1.3%	(67)	-3.9%
Sales - Motor Vehicles	1,160	(40)	-3.3%	(21)	-1.8%
Subtotal Sales & Use	**9,790**	**191**	**+2.0%**	**157**	**+1.6%**
Corporate & Business - Total	**4,170**	**(498)**	**-10.7%**	**(580)**	**-12.2%**
All Other	**2,830**	**105**	**+3.8%**	**239**	**+9.2%**
Total Tax Collections	**45,542**	**1,837**	**+4.2%**	**1,928**	**+4.4%**

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Recap of FY26 Tax Revenue Performance

- Totaled $45.542 billion*:
  - up $1.837 billion, or 4.2% over FY25
  - $1.928 billion, or 4.4% above benchmark
  - increases in withholding and non-withheld income tax, sales and use tax, and “all other” tax partially offset by decreases in corporate & business tax
- Major tax categories:
  - non-withheld income tax, $1.698B above benchmark
  - withholding, $414M above benchmark
  - sales tax, $157M above benchmark
  - all other, $239M above benchmark
  - corporate tax, $580M below benchmark
- Capital gains tax:
  - totaled $3.216B**, up $520M vs FY25, $1.555B above the FY26 threshold of $1.661B
- Surtax:
  - totaled $3.380B, up $331M vs FY25

*

Excluding “tax-related” settlements of $26.8 million
** This total does not include an estimated $1.42 billion in capital gains tax revenue collected from the 4% income surtax.

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FY27 Year-to Date Tax Revenue

FY27 YTD (Through Sep.) Tax Revenues

	09/26 YTD Actual Collections	09/26 YTD v. 09/25 YTD $ Fav/(Unfav)	09/26 YTD v. 09/25 YTD % Fav/(Unfav)	09/26 YTD Actual v. Benchmark $ Fav/(Unfav)	09/26 YTD Actual v. Benchmark % Fav/(Unfav)
Income					
Income Withholding	4,855	278	+6.1%	31	+0.6%
Income Est. Payments	1,825	470	+34.6%	38	+2.1%
Income Returns/Bills	422	107	+34.1%	8	+2.0%
Income Refunds Net (outflow)	(202)	(39)	-23.7%	(27)	-15.1%
Subtotal Income	**6,899**	**816**	**+13.4%**	**51**	**+0.7%**
Sales & Use					
Sales - Regular	1,838	143	+8.5%	25	+1.4%
Sales - Meals	471	15	+3.2%	(8)	-1.6%
Sales - Motor Vehicles	297	11	+3.8%	(2)	-0.5%
Subtotal Sales & Use	**2,607**	**169**	**+6.9%**	**16**	**+0.6%**
Corporate & Business - Total	**1,385**	**540**	**+63.9%**	**75**	**+5.7%**
All Other	**809**	**92**	**+12.8%**	**6**	**+0.7%**
Total Tax Collections	**11,700**	**1,617**	**+16.0%**	**147**	**+1.3%**

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FY27 Year-to-Date Tax Collections

- **positive** performances versus benchmark in all major taxes including:
  - withholding tax,
  - non-withholding income tax,
  - sales tax, corporate & business tax, and
  - “all other” taxes

- Year-to-date total $11.7 billion:
  - $1.617 billion, or 16.0% more than the same period in fiscal 2026
  - $147 million, or 1.3% above the year-to date benchmark

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FY27 Year-to-Date Tax Collections

More specifically:

- Withholding: $4.855B, +$278M, +6.1% actual, and $31M or 0.6% above benchmark
- Non-withholding: $2.044B, +$538M or +35.7% actual, and $19M or 1.0% above benchmark
- Sales & use tax collections: $2.607B, +$169M or +6.9% actual, and $16M or 0.6% above benchmark
- Corporate and business tax collections: $1.385B, +$540M or +63.9% actual, and $75M or 5.7% above benchmark
- All Other taxes: $809M, +$92M or +12.8% actual, and $6M or 0.7% above benchmark

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EXECUTIVE OFFICE FOR ADMINISTRATION & FINANCE (A&F)

Matthew Gorzkowicz
Secretary

Robert Tufo

Assistant Secretary for Capital

Christopher Marino

Assistant Secretary for Budget

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Fiscal Year 2026

Fiscal Year 2026 Approved Operating Budget

- The fiscal year 2026 budget was approved by the Governor on July 4, 2025, providing for approximately **$60.9 billion** in authorized spending. In signing the budget, the Governor vetoed **$130 million in spending** approved by the Legislature. Subsequently, the Legislature **overrode $70 million** of those vetoes
  - These actions resulted in a budget that is **$434 million,** or **0.7%.** less than the Governor's initial budget proposal
- The fiscal year 2026 budget is approximately **5.5%** higher than the fiscal year 2025 enacted budget at the time of the Governor's approval. The fiscal year 2026 budget as approved by the Governor incorporates a **$43.614 billion** tax revenue forecast, which reflects the consensus tax revenue estimate of **$41.214 billion** and the **$2.4 billion** estimate of revenue from the 4% surtax on personal income above $1 million (adjusted annually for inflation)
- The enacted budget additionally allows **$599 million** in capital gains tax revenue above the threshold to be diverted from the Stabilization Fund to be used toward the annual pension transfer

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Fiscal Year 2026 Approved Operating Budget (cont.)

- On April 6, 2026, the Legislature enacted and the Governor signed a **$300 million** supplemental appropriation for the Group Insurance Commission to address immediate needs for state employee health insurance costs. The Governor originally filed for this appropriation in a late January supplemental budget

- On April 14, 2026, the Governor filed an additional **$227 million** in supplemental appropriations, including **$160 million** for snow and ice removal costs**, $23 million** for free communications in correctional facilities, and **$9 million** for emergency management costs. This bill is pending with the Legislature

- On June 12, 2026, the Governor signed a supplemental budget into law that included **$1.353 billion** in spending from fiscal year 2025 income surtax revenue and **$208 million to** support time sensitive deficiencies and emerging needs. This supplemental budget included **$780 million** in transportation investments and **$574 million** in education investments. These investments were made using excess income surtax collections and included **$595 million** in supports for the MBTA, **$152 million** for special education costs, and **$101 million** for municipal winter road repair assistance.

- On September 23, 2026, the Governor filed a supplemental budget to pay final bills for fiscal year 2026. The proposal totaled **$2.24 billion in gross spending ($1.46 billion net of federal reimbursements)**, driven primarily by **$1.8 billion in gross spending ($772 million in net spending)** for MassHealth and **$245 million for the county sheriff offices**.

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Fiscal Year 2027

Consensus Revenue Estimates for Fiscal Year 2027

- On January 14, 2026, the Secretary of Administration & Finance and the chairs of the House and Senate Committees on Ways and Means agreed to a fiscal year 2027 consensus tax revenue estimate of **$42.2 billion**, as well as a **$2.7 billion** estimate of revenue from the 4% surtax on personal income above the surtax threshold of $1 million (adjusted for inflation annually in each tax year after 2023)

- The fiscal year 2027 consensus tax revenue estimate of **$42.2 billion** (excluding estimated income surtax revenues) represents revenue growth of **2.4%** above the fiscal year 2026 benchmark

- After accounting for statutorily required transfers for pensions, and to the MBTA, the MSBA and the Workforce Training Fund, the Secretary and Committee chairs agreed that **$33.589 billion** (exclusive of the expected additional income surtax revenue) would be the maximum amount of tax revenue available for the fiscal year 2027 budget

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Fiscal Year 2027

Fiscal Year 2027 Approved Operating Budget

- The fiscal year 2027 budget was approved by the Governor on July 9, 2026, totaling **$63.416 billion** with **$2.7 billion** in spending tied to the income surtax. The non-surtax spending total represents **3.6%** growth above fiscal year 2026 General Appropriations Act
    - The final budget is **$54 million**, or 0.1%, higher than the Governor's proposal
- The fiscal year 2027 budget assumes a deposit of **$51.2 million** into the Commonwealth Stabilization Fund
- The fiscal year 2027 budget incorporates the phase-in of certain tax changes made in federal H.R.1, signed into law on July 4, 2025, with which the state conforms
- In addition, the budget accounts for new food donation, sustainable aviation fuel, and housing production sales tax credits
- Through September, fiscal year 2027 tax revenue collections totaled **$11.7 billion**, representing **$1.617, or 16%,** more than actual collections in fiscal year 2026, and **$147 million, or 1.3%,** more than the year-to-date benchmark
- On October 15, fiscal year 2027 tax revenues were certified by the Executive Office for Administration and Finance

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Fiscal Year 2027

Capital Investment Plan (CIP)

- On June 30, 2025, the Governor announced the five-year capital investment plan for fiscal years 2026 through 2030 with an administrative general obligation (G.O.) bond cap **of $3.227 billion** for **fiscal year 2026** and **$3.337 billion** for **fiscal year 2027**, which represents $110 million of year over year annual growth, a change from recent years when only one year of growth had been factored into the plan

- The plan focused on making fiscally responsible investments designed to make the Commonwealth more affordable, more competitive, and create more jobs, and prioritized building homes to lower the cost of housing, creating jobs in innovative industries (such as life sciences, climate tech and artificial intelligence), and repairing critical infrastructure and advancing capital projects to help grow the economy

- On June 30, 2026, the Governor published an updated capital investment plan for fiscal year 2027 which, consistent with the plan released last year, builds on progress made and makes investments that will drive Massachusetts forward and have meaningful and impactful improvements to our communities

- We expect to release a capital investment plan for fiscal years 2028 through 2032 in June 2027

- Actual capital spending is subject to variance due to the nature of capital projects and the programs comprising the capital investment plan

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OFFICE OF THE STATE TREASURER
Debt/Capital Presentation

Sue Perez
Deputy Treasurer

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Upcoming Bond Sale Calendar*

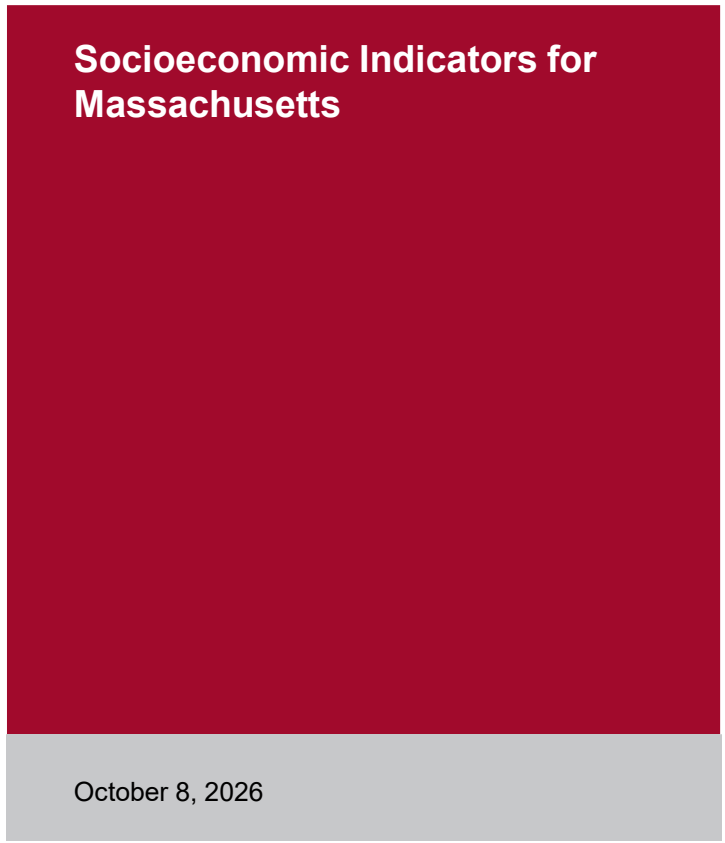
Timing	Par Amount	Type	Credit	Method of Sale
Tuesday October 20th	$100 Million	New Money	Federal Highway Grant Anticipation Notes (GANs) (Tax Exempt)	Negotiated
October 20th – 21st	$500 Million $84 Million	New Money Refunding	Dedicated Transportation Revenue (DTR) Bonds (Tax Exempt)	Negotiated
Week of November 9th	$987 Million	New Money & Refunding	GO (Tax Exempt)	Negotiated
Q1 2027	$750 Million	New Money	GO (Tax Exempt)	TBD

* Preliminary, subject to change.

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Socioeconomic Indicators Report

The latest edition of our Socioeconomic Indicators Report was recently published this week. This report 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

- **Leisure & Hospitality Subsector Detail**
- **Trade Exports and Imports Detail**
- **Massachusetts Trade with Canada**
- **Massachusetts Workforce**
- **Artificial Intelligence and Workforce**
- **Unemployment and Job Quits**
- **Massachusetts Population Changes**
- **Inflation**

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Plan of Finance*

New Money Bonds

- Finance or reimburse the Commonwealth for a variety of capital expenditures which are included within the capital investment plan maintained by the Executive Office for Administration and Finance

Refunding Bonds

- The Commonwealth is expected to current refund certain maturities of General Obligation Refunding Bonds 2016 Series I and General Obligation Bonds Consolidated Loan of 2017 Series D

Maturity	Series 2026 I New Money (11/01)*	2026 Series D Refunding (12/01)*
2027	-	13,580,000
2028	-	13,510,000
2029	-	13,435,000
2030	-	13,350,000
2031	-	13,270,000
2032	-	38,820,000
2033	-	38,760,000
2034	-	43,695,000
2035	-	48,630,000
2036	-	-
2037	-	-
2038	-	-
2039	-	-
2040	45,000,000	-
2041	45,000,000	-
2042	45,000,000	-
2043	45,000,000	-
2044	45,000,000	-
2045	45,000,000	-
2046	40,000,000	-
2047	40,000,000	-
2048	40,000,000	-
2049	40,000,000	-
2050	40,000,000	-
2051	40,000,000	-
2052	40,000,000	-
2053	50,000,000	-
2054	50,000,000	-
2055	50,000,00	-
2056	50,000,000	-
Total	$750,000,000	$237,050,000

*Preliminary, subject to change

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Transaction Timeline and Contacts

November 2026						
S	M	T	W	T	F	S
					30	31
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	20
22	23	24	25	26	27	28
29	30					

Financing Schedule*	
Date	**Event**
Friday, October 30th	Mail Preliminary Official Statement
Monday, November 9th	Retail Order Period
Tuesday, November 10th	Institutional Order Period
Wednesday, November 18th	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

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Deputy Treasurer of Debt Management
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For more information, please visit: www.massbondholder.com

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Questions

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