

PRESS RELEASE

# February Revenue Collections Total \$1.268 Billion

Monthly revenue collections up \$96 million actual vs February 2017; down \$78 million from expected monthly benchmark and ahead \$725 million of year-to-date FY18 benchmark.

**BOSTON, MA** — Massachusetts Department of Revenue Commissioner Christopher C. Harding today announced that preliminary revenue collections for February totaled \$1.268 billion, which is \$96 million or 8.2% more than the actual collections in February 2017, and \$78 million or 5.8% below the revised February benchmark (\*).

“With approximately 60% of revenue collections in the door for Fiscal Year 2018 (FY18), we remain ahead of benchmark year-to-date by \$725 million,” said Commissioner Harding. “We believe that FY18 revenue performance could normalize closer back to benchmark over the next few months as estimated payments, which make up most of the above-benchmark performance, were potentially accelerated by taxpayers due to federal tax reform at the end of calendar year 2017.”

February has historically been the smallest net tax collection month of the fiscal year as there are no quarterly or annual payments due, and post-holiday sales tax collections are relatively low. February is also the month in which refunds start to accumulate as taxpayers submit their returns for the prior tax year.

- February 2018 revenues of \$1.268 billion were \$96 million or 8.2% ahead of last February, and \$78 million below benchmark
- Income tax collections were \$68 million or 12.9% ahead of last February, and \$75 million below benchmark
- Withholding collections (a subcategory of income tax) were \$78 million or 8.3% ahead of last February, \$38 million below the monthly benchmark
- Sales and use tax collections were \$29 million or 6.5% ahead of last February, and \$18 million above the monthly benchmark
- Corporate and business taxes were \$27 million less than last February, and \$46 million below the monthly benchmark
- Other taxes, which include motor fuels, cigarette, estate, and other categories, were \$26 million or 14.9% ahead of last February, and \$24 million above the monthly benchmark

- For the fiscal year-to-date period, revenues of \$17.160 billion were \$1.309 billion or 8.3% ahead of the prior year figure, and are \$725 million or 4.4% above benchmark

Details:

- Income tax collections for February were \$595 million, \$75 million or 11.1% below benchmark and \$68 million or 12.9% above last year.
- Withholding collections for February totaled \$1.017 billion, \$38 million or 3.6% below benchmark and \$78 million or 8.3% more than 2017.
- Income tax estimated payments totaled \$10 million for February, \$6 million or 37.1% less than benchmark and \$5 million or 35.5% below February 2017.
- Income returns and bills totaled \$38 million for February, \$5 million or 14.0% more than benchmark and \$13 million or 50.8% above February 2017.
- Income cash refunds in February totaled \$469 million in outflows, \$36 million more than benchmark and also \$18 million more than prior year. Some of the refund increase is due to more refunds processed this February than last February. In general, month-to-month variations in refunds are not unusual as the filing season progresses.
- Sales and use tax collections for February totaled \$473 million, which is \$18 million or 4.0% more than benchmark and \$29 million or 6.5% more than February 2017.
- Corporate and business tax collections for the month totaled \$1 million, \$46 million below the February benchmark and \$27 million below last February mostly due to higher corporate and business refunds. February is a low month for this tax. As a result, a moderate swing in dollars causes a large percentage variance. This category will have more significant flows in the March – June timeframe.
- Other tax collections for February totaled \$198 million, which is \$24 million or 13.8% more than benchmark and \$26 million or 14.9% more than February 2017. Particularly estate tax, a subcategory of “Other tax”, performed better than expected (\$23 million above benchmark).

(\*) On January 12, 2018, Administration and Finance Secretary Michael J. Heffernan revised the Fiscal Year 2018 state tax revenue estimate upward by \$157 million, from \$26.504 billion to \$26.661 billion, to reflect strong year-to-date performance in the category of income tax withholding.