



AMY PITTER
COMMISSIONER

The Commonwealth of Massachusetts
Department of Revenue
Office of the Commissioner
P.O. Box 9550
Boston, MA 02114-9550

April 18, 2013

The Honorable Brian S. Dempsey, Chair
House Committee on Ways and Means
State House
Room 243
Boston, MA 02133

The Honorable Viriato Manuel deMacedo, Representative
House Committee on Ways and Means
State House
Room 124
Boston, MA 02133

The Honorable Stephen M. Brewer, Chair
Senate Committee on Ways and Means
State House
Room 212
Boston, MA 02133

The Honorable Michael R. Knapik, Senator
Senate Committee on Ways and Means
State House
Room 419
Boston, MA 02133

Honorable Chairmen and Ranking Minority Members of the Ways and Means Committees:

Pursuant to Section 6 of Chapter 14 of the General Laws¹, the Department of Revenue hereby submits its mid-month tax revenue report for the month of April 2013. The attached table shows April 2013 month-to-date and FY2013 year-to-date tax revenue collections through April 15, 2013, along with the dollar and percentage changes from the same collection period in April 2012. Also shown are the percentage growth amounts for the full month of April 2013 and for FY2013 year-to-date through the end of April 2013 that

¹ <http://www.malegislature.gov/Laws/GeneralLaws/PartI/TitleII/Chapter14/Section6>

were assumed in the benchmarks corresponding to the FY2013 tax revenue estimate of \$21.496 billion, which was revised by the Executive Office for Administration and Finance on December 4, 2012.

April has historically been the largest tax collection month of the year, as payments with income tax returns and extensions for the prior tax year are due on April 16th, and so are the first estimated quarterly income tax payments for the current tax year. The April monthly benchmark corresponding to the FY13 tax revenue estimate of \$21.496 billion totals \$2.714 billion, an increase of \$206 million, or 8.2% actual and 8.4% baseline from April 2012.

Through April 15, 2013, month-to-date tax collections total \$729 million, down \$10 million, or 1.4% from the same period last April, compared to the benchmark estimate that projects an increase of \$206 million for the full month. Virtually all of the projected April increase is expected to occur in the second half of April since the sources of growth -- income tax payments (cash estimated payments, payments with returns and extensions) and sales tax (other than motor vehicle tax) -- are due on April 16th and April 22nd respectively.

Month-to-date income tax collections through April 15, 2013 totaled \$581 million, up \$3 million, or 0.4% from the same period in April 2012. Month-to-date withholding taxes through April 15, 2013 totaled \$397 million, down \$29 million, or 6.9% from the same period in April 2012, compared to the benchmark estimate that projects an increase of \$37 million for the full month. Month-to-date withholding decline probably reflects timing related factors (delays of payments that might come in later in the month).

Month-to-date income tax payments with returns and extensions total \$311 million, up \$70 million from the same period last year, with the full month benchmark projecting an increase of \$146 million. As of April 15th, a small proportion of the full month's payments with returns and extensions had been received, so collections as of that date are not a good indicator of payments for the month as a whole.

Month-to-date income tax estimated payments total \$76 million, down \$13 million from the same period last year, with the full month benchmark projecting an increase of \$10 million. About two-thirds to three-quarters of income tax estimated payments are typically received in the second half of the month, so month-to-date collections are not necessarily a good indicator of full month collections.

Month-to-date income tax cash refunds totaled \$202 million, up \$25 million, or 14.1% from the same period in April 2012, with the full month benchmark projecting a growth of \$2.2 million. It looks like refunds are catching up with last year.

April is a relatively small month for corporate and business tax payments, although it does include payments from most large retail businesses. Through April 15, 2013 month-to-date corporate and business tax collections totaled \$57 million, up \$13 million from the same period in April 2012, compared to a \$1 million increase assumed in the monthly benchmark.

April sales tax is projected to total \$450 million, an increase of \$16 million, or 3.6% actual and 3.0% baseline from April 2012. April 15th was too early in the month for sales tax trends to be meaningful, as monthly sales tax payments (other than those for motor vehicle sales tax) are not due until April 22nd (Usual due date (20th) for remitting sales and use tax returns falls on a Saturday this year, so those returns will mostly come in on Monday, April 22nd). Through April 15th, month-to-date sales tax collections totaled \$68 million, down \$0.4 million from the same period in April 2012.

Monthly motor fuels and rooms tax payments are also due on April 22nd. There may be differences in the due dates for certain tax payments from one fiscal year to the next (e.g., in withholding payments or the timing of refund cycles) which complicate month-to-date comparisons to the prior year. As a result of

these factors, revenues received through April 15th as reported in the attached table may not be indicative of what the final results for the full month will be. Specifically, they do not necessarily represent one-half of the revenues to be received in the full month and the month-to-date growth rates compared to April 2012 could change significantly by the end of this month. Any variances from the monthly benchmark at this point in the month should not be relied on as an indicator of what total final revenues for the month will be, compared to the full month benchmarks.

If you have any questions concerning this report, please contact either me (at 626-2201) or Kazim P. Ozyurt, Director of the Office of Tax Policy Analysis (at 626-2100).

Sincerely,

A handwritten signature in black ink that reads "Amy A. Pitter". The signature is written in a cursive style with a large initial "A".

Amy Pitter
Commissioner

Attachment

Cc: Glen Shor, Secretary of Administration and Finance
Representative Robert A. DeLeo, House Speaker
Senator Therese Murray, Senate President
Representative Jay R. Kaufman, House Chair, Joint Committee on Revenue
Senator Michael J. Rodrigues, Senate Chair, Joint Committee on Revenue
Representative Bradley H. Jones, Jr., House Minority Leader
Senator Bruce Tarr, Senate Minority Leader
Steven Grossman, Treasurer and Receiver General

Mid-Month Tax Collection Report for April 2013 (in \$ Millions)

Tax Collections as of April 15, 2013, Compared to Same Collection Period in FY2012 and to the FY2013 Tax Revenue Estimate of \$21.496 Billion

	----- Month of April -----						----- FY13 Year-to-Date -----					
	04/13 MTD Collections	04/13 MTD v. 04/12 MTD \$ Change	04/13 MTD v. 04/12 MTD % Change	04/13 Full Month Benchmark (*)	% Growth from 04/12 Assumed in Monthly Benchmark	\$ Needed to Reach 04/13 Full Month Benchmark (*)	04/13 FY13 YTD Collections	04/13 FY13 YTD \$ Change	04/13 FY13 YTD % Change	FY13 YTD Benchmark (*)(**)	% Growth from 04/12 Assumed in FY13 YTD Benchmark	\$ Needed to Reach FY13 YTD Benchmark (*)(**)
Income - Total	581	3	0.4%	2,043	10.3%	1,462	9,030	451	5.3%	10,306	4.6%	1,276
Income Withholding	397	(29)	(6.9%)	831	4.7%	434	7,992	175	2.2%	8,397	2.6%	405
Income Est. Payments (Cash)	76	(13)	(14.8%)	225	4.9%	149	1,469	176	13.6%	1,491	5.1%	22
Income Returns/Bills	311	70	29.3%	1,290	12.7%	979	696	70	11.1%	1,700	11.1%	1,005
Income Refunds (Cash)	202	25	14.1%	301	0.7%	99	1,130	(25)	(2.1%)	1,285	0.6%	154
Sales & Use - Total	68	(0)	(0.5%)	450	3.6%	382	3,895	57	1.5%	4,302	2.3%	407
Sales - Regular	29	(2)	(7.5%)	314	2.3%	285	2,706	31	1.1%	2,993	1.4%	287
Sales - Meals	8	(1)	(11.0%)	76	5.1%	68	680	23	3.4%	757	5.2%	77
Sales - Motor Vehicles	30	3	11.2%	60	9.0%	30	509	4	0.8%	552	3.6%	43
Corporate & Business - Total	57	13	30.1%	60	1.3%	3	1,707	65	4.0%	1,545	(6.8%)	(162)
Corporate Excise	57	19	48.3%	54	(0.5%)	(3)	1,381	7	0.5%	1,267	(8.8%)	(114)
Insurance Excise	(1)	1	N/A	(5)	N/A	(4)	266	28	12.0%	252	7.7%	(13)
Financial Institutions Excise	1	(7)	(90.4%)	12	10.7%	11	76	14	23.0%	33	(50.0%)	(44)
Public Utilities Excise	0	0	8446.2%	(0)	N/A	(0)	(15)	16	N/A	(6)	(79.7%)	9
All Other	24	(26)	(51.8%)	161	(0.8%)	137	1,287	(91)	(6.6%)	1,482	(0.6%)	195
Total Tax Collections	729	(10)	(1.4%)	2,714	8.2%	1,985	15,919	483	3.1%	17,635	2.5%	1,716

(*) Benchmarks are based on the FY13 tax revenue estimate of \$21.496 billion

(**) Year-to-date benchmarks are year-to-date full month benchmark totals (i.e., July through April full month totals)

Note: Detail may not add to total due to rounding and other technical factors.