



MASSACHUSETTS DEPARTMENT OF REVENUE

Christopher C. Harding, Commissioner

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April Revenue Collections Total \$4.323 Billion

*Collections are \$942 million above monthly benchmark,
\$961 million above year-to-date benchmark*

(**Boston, MA**) – Massachusetts Department of Revenue Commissioner Christopher C. Harding today announced that preliminary revenue collections for April totaled \$4.323 billion, which is \$942 million or 27.9% above the revised monthly benchmark¹, and \$1.019 billion or 30.8% more than the actual collections in April 2018.

For the fiscal year-to-date through April, revenue collections totaled \$24.510 billion, \$961 million or 4.1% more than the year-to-date benchmark, and \$1.814 billion or 8.0% more than the same fiscal year-to-date period in 2018.

Fiscal Year 2019 revenue from individual income tax withholding and sales taxes, which historically have represented 70% of annual tax revenue, are at or close to benchmark. Revenue above benchmark is driven almost entirely by collections in three historically volatile categories:

- Significant increase in revenue from **Non-withheld income**, reflecting taxes due for the calendar year 2018 but received in fiscal 2019. Non-withheld income is \$336 million above benchmark year to date.
- **Corporate** tax payments, which appear to be driven in part by federal tax changes and repatriation, are 22.2% over benchmark, up \$473 million year to date.
- **Estate** tax payments are up 38% over benchmark, or \$142 million year to date. (Estate taxes are reported in the “All Other” line of the accompanying report.)

“The strong results in April offset the shortfall in Estimated Payments that we experienced in December and January, because we believe many taxpayers opted to make their payments with returns and extensions during the April filing season,” Commissioner Harding said.

¹ The original benchmark for fiscal year 2019 is \$28.392 billion. On December 31, 2018, as part of the fiscal year 2020 Consensus Revenue process, the fiscal year 2019 figure was adjusted to \$28.592 billion. The adjustment was reflected beginning with the January revenue report.

“Since late 2017, federal tax reform appears to have had a significant impact on the timing of state revenues. In sum, the above-benchmark growth for Fiscal Year 2019 through April is almost entirely driven by three inherently volatile categories: Non-withheld income (+\$336 million); Corporate (+\$473 million); and Estate (+\$142 million). These patterns cannot be relied upon to repeat; historically, these categories not only have volatile growth rates but can rise or fall in absolute dollar terms as well.”

April is a key month from a revenue perspective, as monthly tax revenue collections are usually the highest of all 12 months of the year, with roughly 11% of annual revenues collected in the month.

- April 2019 revenues of \$4.323 billion were \$942 million above the monthly benchmark
- Income tax collections were \$819 million above the monthly benchmark
- Withholding collections were \$113 million below the monthly benchmark
- Sales and use tax collections were \$26 million above the monthly benchmark
- Corporate and business taxes were \$70 million above the monthly benchmark
- For the fiscal year-to-date period, revenues of \$24.510 billion were \$961 million or 4.1% above the revised benchmark and \$1.814 billion or 8.0% above the prior year figure

- Income tax collections for April were \$3.200 billion, which is \$819 million or 34.4% above benchmark and \$860 million or 36.7% above April 2018.
 - Withholding collections for April totaled \$1.048 billion, \$113 million or 9.7% below benchmark, and \$62 million or 5.6% below April 2018.
 - Income tax estimated payments totaled \$293 million for April, \$25 million or 9.3% above benchmark and \$20 million or 7.5% above April 2018.
 - Income tax return payments totaled \$2.257 billion for April, \$941 million or 71.5% more than benchmark and \$939 million or 71.3% above April 2018.
 - Income tax refunds in April totaled \$398 million in outflows, \$33 million or 9.2% more than benchmark and \$37 million or 10.3% more than April 2018.
 - Sales and use tax collections for April totaled \$567 million, which is \$26 million or 4.8% more than benchmark and \$53 million or 10.3% more than April 2018.
 - Corporate and business tax collections for the month totaled \$347 million, \$70 million above benchmark and \$91 million more than April 2018.
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- Other tax collections for April totaled \$209 million, which is \$27 million or 15.1% more than benchmark and \$15 million or 7.8% more than April 2018.

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