

December Revenue Collections Total \$2.57 Billion

Revenue collections are \$529 million below monthly benchmark, \$108 million below year-to-date benchmark

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Massachusetts Department of Revenue

Boston, MA — Massachusetts Department of Revenue Commissioner Christopher C. Harding today announced that preliminary revenue collections for December totaled \$2.568 billion, which is \$529 million or 17.1% below the original monthly benchmark (1), and \$440 million or 14.6% less than the actual collections in December 2017.

For the fiscal year-to-date through December, revenue collections totaled \$13.312 billion, \$108 million or 0.8% less than the year-to-date benchmark and \$387 million or 3.0% more than the same fiscal year-to-date period in 2017.

In recent years, December has contributed 9.5% of total annual collections on average, ranking number five among the 12 months of the year for share of collections.

“While most major categories of revenue continue to perform generally as expected, estimated payments from individual taxpayers are below benchmark, which suppressed the total revenue for the month,” said Commissioner Harding. “These payments are not due until January 15th. In prior years, many taxpayers chose to pay in December, to take advantage of the federal deduction for state taxes. The 2017 federal tax reform reduced this incentive to prepay, by placing a \$10,000 limit on the deduction for state and local taxes.

“We underestimated the shift of estimated payments from December into January. Early indications are that other states may be having a similar experience. We believe that the category is likely to be stronger in January as a result of the shift. Therefore, we would caution against assessing estimated payments until both December and January are complete.

“Other revenue categories show continued strength. Withholding, sales and use taxes, corporate, and other taxes are all near or above benchmark on a fiscal year-to-date basis.”

- December 2018 revenues of \$2.568 billion were \$529 million below benchmark
- Income tax collections were \$560 million below the monthly benchmark
- Withholding collections were \$17 million below the monthly benchmark
- Sales and use tax collections were \$6 million above the monthly benchmark
- Corporate and business taxes were \$11 million above the monthly benchmark

- For the fiscal year-to-date period, revenues of \$13.312 billion are \$108 million or 0.8% below benchmark and \$387 million or 3.0% above the prior year figure
- Income tax collections for December were \$1.449 billion, which is \$560 million or 27.9% below benchmark and \$518 million or 26.3% below December 2017.
- Withholding collections for December totaled \$1.319 billion, \$17 million or 1.3% below benchmark, but \$59 million or 4.6% above December 2017.
- Income tax estimated payments totaled \$121 million for December, \$542 million or 81.7% below benchmark and \$575 million or 82.6% below December 2017.
- Income tax return payments totaled \$36 million for December, \$12 million or 25.1% less than benchmark and \$11 million or 23.5% below December 2017.
- Income tax refunds in December totaled \$27 million in outflows, \$11 million or 28.3% less than benchmark and \$10 million or 26.1% less than December 2017.
- Sales and use tax collections for December totaled \$556 million, which is \$6 million or 1.1% more than benchmark and \$30 million or 5.7% more than December 2017.
- Corporate and business tax collections for the month totaled \$366 million, \$11 million or 3.2% above benchmark and \$37 million or 11.4% more than December 2017.
- Other tax collections for December totaled \$196 million, which is \$14 million or 7.8% more than benchmark and \$11 million or 6.0% more than December 2017.

[December 2018 Tax Collection Summary \(in \\$ millions\) Preliminary as of January 4, 2019](#)

1) The original benchmark for fiscal year 2019 is \$29.392 billion. On December 31, 2018, as part of the fiscal year 2020 Consensus Revenue process, the fiscal year 2019 figure was adjusted to \$28.529 billion. The adjustment will be reflected in reporting beginning in January.