



Massachusetts Department of Revenue

Briefing Book FY2021 Consensus Revenue Estimate Hearing

December 4, 2019

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Introduction

This Briefing Book was created by the Department of Revenue (DOR) and is intended to provide you with DOR’s current tax revenue estimates for FY20 and FY21 and relevant background information.

During FY19, the Massachusetts economy performed well with lower unemployment rate and robust growth in real GSP and personal income. The state tax revenue collections were also strong, well above benchmark. Looking forward, the growth rates for the national and Massachusetts economies are expected decelerate in FY20 and FY21. International factors, such as the US-China trade war, global economic slowdown, are major sources of uncertainties on state economic and tax revenue forecasts.

Our FY20 and FY21 revenue forecasts are based on tax collections through November 2019 and the economic projections provided by *Moody’s Economy.com* and *IHS Markit* (formerly known as *Global Insight*). The forecasts have been adjusted for legislatively mandated tax changes. The table below summarizes the Department’s current tax revenue forecasts for FY20 and FY21.

FY20 and FY21 Department of Revenue Tax Revenue Projections
(in \$ Billions)

	<u>FY20</u> <u>Projections</u>	<u>% Growth</u> <u>Actual</u> <u>from FY19</u>	<u>% Growth</u> <u>Baseline</u> <u>from FY19</u>	<u>FY21</u> <u>Projections</u>	<u>% Growth</u> <u>Actual</u> <u>from FY20</u>	<u>% Growth</u> <u>Baseline</u> <u>from FY20</u>	<u>% Growth</u> <u>Actual</u> <u>from current</u> <u>FY20</u> <u>Benchmark</u>
Current Benchmark	\$30.099	1.4%	1.8%	N/A	N/A	N/A	N/A
Economy.com	\$30.174	1.6%	2.1%	\$30.623	1.5%	2.3%	1.7%
Global Insight	\$30.348	2.2%	2.7%	\$30.988	2.1%	2.9%	3.0%
Midpoint	\$30.261	1.9%	2.4%	\$30.805	1.8%	2.6%	2.3%

FY19 Results

- FY19 tax collections totaled \$29.741 billion, up \$1.954 billion, or 7.0% from FY18.
- FY19 “baseline” tax collections (i.e., growth adjusted for the impact of tax law and administrative changes) were also up 6.8% from FY18.
- Excluding \$49 million in “tax-related” settlements & judgments exceeding \$10 million each, FY19 tax collections totaled \$29.693 billion, \$1.1 billion above the final FY19 revenue estimate of \$28.592 billion. The surplus reflected mostly stronger than expected performance in non-withheld (investment, pass-through, interest/dividend, capital gains, etc.) personal income tax collections, corporate and business tax collections, sales and use taxes collections, and “all other” tax collections (mostly estate tax), slightly offset by less than expected withholding tax collections. Capital gains tax revenues were estimated to be up 21.5% in FY19 compared to FY18, and totaled about \$2.05 billion based on the returns data and tax collections data.
 - FY19 personal income tax collections totaled \$17.099 billion, up 5.3% actual and 5.8% baseline. Withholding increased 4.3% baseline. Non-withheld personal income tax: cash estimated payments decreased 20.8% baseline; refunds were up 6.5% baseline; payments with returns and bills increased 44.0% baseline. Most tax on capital gains, interest and dividends, unincorporated business income, etc. (other than withholding) are reflected in non-withheld tax category.
 - FY19 sales tax was \$6.798 billion, up 5.3% actual and 4.7% baseline. Regular sales tax totaled \$4.688 billion, up 4.9% baseline; meals tax totaled \$1.216 billion, up 5.3% baseline; and motor vehicle sales tax totaled \$894 million, up 3.2% baseline.
 - FY19 corporate and business tax collections of \$3.308 billion for the year were up 19.8% actual and 17.6% baseline.
 - All other tax collections totaled \$2.487 billion for FY19, up 7.1% actual and 5.4% baseline.

FY20 Summary

- The FY20 consensus revenue estimate assumed FY20 revenue collections of \$29.299 billion excluding marijuana taxes. The consensus estimate, after including marijuana taxes, was revised to \$30.099 billion when the FY20 budget was enacted, reflecting actual growth of 1.4% and baseline growth of 1.8% from FY19 collections. This estimate was kept unchanged by the Executive Office for Administration and Finance (A&F) On October 15, 2019.
- Through November 2019, FY20 tax collections totaled \$11.321 billion, up \$577 million, or 5.4% actual and 5.0% baseline compared to the same five-month period in FY19, \$271 million above the November year-to-date benchmark (excluding tax related settlements & judgments exceeding \$10 million each, which totaled \$12 million year-to-date). Specifically:
 - Year-to-date withholding is up 5.6% actual and 5.8% baseline.
 - Year-to-date non-withheld (net of estimated, return, and refund) income tax payments are up 6.9% actual and 7.3% baseline.
 - Year-to-date sales tax collections are up 5.1% actual and 4.5% baseline.
 - Year-to-date corporate and business tax collections are up 1.2% actual and 2.4% baseline.
 - Year-to-date All Other tax collections are up 7.2% actual and 2.6% baseline.
- The Massachusetts economy is forecasted to grow moderately during the last three quarters of FY20.
 - Real Gross State Product is projected to grow by 2.2% to 2.3%.
 - Massachusetts payroll employment is projected to grow by 0.9% to 1.1%, and wages and salaries are projected to grow by 4.8% to 4.9%.
 - Retail sales are projected to grow by 4.6%.

FY20 Summary

- With respect to capital gains tax, DOR forecasts that fiscal year 2020 capital gains tax will decrease by 9.8% to 14.6% compared with fiscal year 2019, to about \$1.75 billion to \$1.85 billion, and decrease further by about 5.4%-8.6% in fiscal year 2021, to \$1.6 billion to \$1.75 billion (see page 23 and 24).
- Employing economic forecasts from IHS Markit, Moody's economy.com, and DOR's capital gains tax projections, FY20 tax revenue is projected at \$30.174 billion to \$30.348 billion, \$75 million (or 0.2%) to \$249 million (or 0.8%) above the FY20 estimate of \$30.099 billion. Included in these forecasts is an adjustment for the incremental impacts of tax law changes and revenue initiatives, which are expected to result in a net revenue loss of \$141 million in FY20.

FY21 Summary

- The national economic growth is expected to decelerate in FY21. The U.S. real Gross Domestic Product (GDP) is forecasted to grow 2.0% in FY20, but 1.5% (Economy.com) to 2.2% (IHS Markit) in FY21.
- The two forecast vendors project the economy for FY21 as follows:
 - Projections for Massachusetts employment range from a year-over-year growth of 0.2% to 0.8% in FY21, compared to growth of 1.0% to 1.1% in FY20, and Massachusetts wages and salary projections range from growth of 3.2% to 4.5% in FY21, compared to growth of 5.0%-5.1% in FY20;
 - Massachusetts personal income is forecasted to grow 3.4% to 3.9% in FY21, compared to growth of 4.4%-4.5% in FY20;
 - Nationally, corporate profits are forecasted to grow by 4.3% to 6.5% in FY21, compared to growth of -0.4% to 4.1% in FY20;
 - The stock market as measured by the S&P 500 index is forecasted to grow -3.3% to 7.3% in CY2020, compared to growth of 5.4%-5.7% in CY2019.
- Employing the economic growth assumptions from Economy.com and IHS Markit, FY21 tax revenue is projected to be \$30.623 billion to \$30.988 billion, reflecting 1.7% to 3.0% growth over current FY20 benchmark of \$30.099 billion. The midpoint of the forecast range for FY21 revenue is \$30.805 billion, a growth of 2.3% from FY20 benchmark. Included in these forecasts is an adjustment for the incremental impacts of tax law changes and revenue initiatives, which are expected to result in a net revenue loss of \$245.8 million in FY21. Please note that these forecasts assume part B income tax rate reduction from 5.05% to 5.00% effective January 1, 2020, and charitable deduction trigger effective January 1, 2021.

Recent Revenue Trends

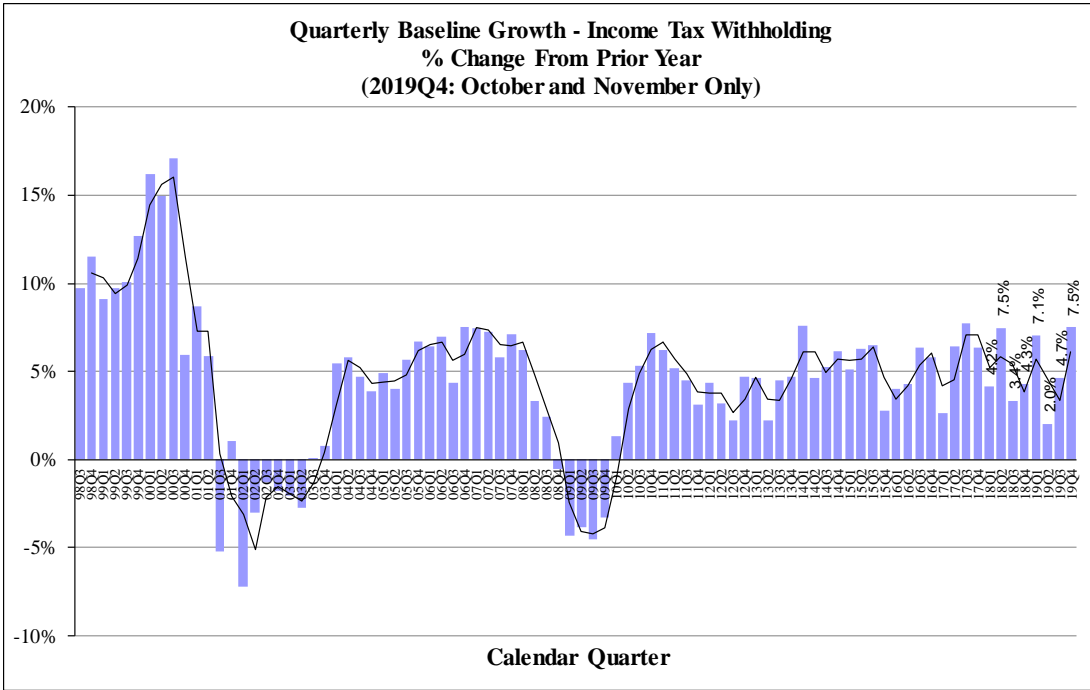
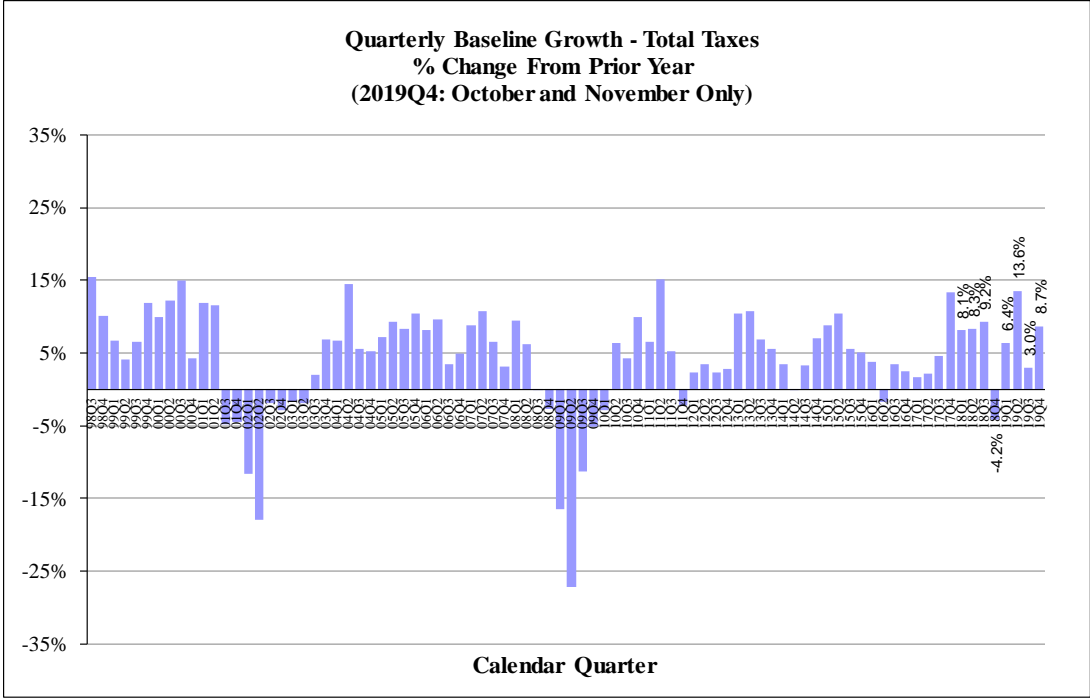
- **Two Measures of Tax Revenue Growth:**
 - Actual growth - growth in actual collections over two periods.
 - Baseline growth - growth had there been no tax law or administrative changes that affected tax collections. Baseline growth also adjusts for fluctuations in the timing of tax collections. Baseline growth is a better measure of the change in the underlying tax base and the economy.

FY2020 Year-to-Date Collections Through November 2019 (in \$ millions)					
	11/2019 FY20 YTD Collections	11/2019 FY20 YTD \$ Change	11/2019 FY20 YTD Actual % Change	11/2019 FY20 YTD Baseline % Change	FY20 YTD \$ Above/(Below) Benchmark Based on FY20 Estimate of \$30.099 Billion
Income - Total	6,249	340	5.8%	6.0%	102
Income Withholding	5,403	285	5.6%	5.8%	79
Income Est. Payments (Cash)	783	34	4.5%	5.3%	55
Income Returns/Bills	315	16	5.3%	5.8%	25
Net Income Refunds	251	(5)	-2.0%	-0.4%	57
Sales & Use - Total	2,989	146	5.1%	4.5%	(24)
Sales - Regular	2,051	118	6.1%	5.1%	(10)
Sales - Meals	566	22	4.0%	4.1%	(7)
Sales - Motor Vehicles	372	5	1.5%	2.1%	(6)
Corporate & Business - Total	871	11	1.2%	2.4%	50
All Other	1,212	81	7.2%	2.6%	142
Total Tax Collections	11,321	577	5.4%	5.0%	271
<i>The figures above exclude Tax-Related Settlements & Judgments exceeding \$10 million each. The certified total for these was \$0 million in November 2019, and \$12.5 million year-to-date through November.</i>					

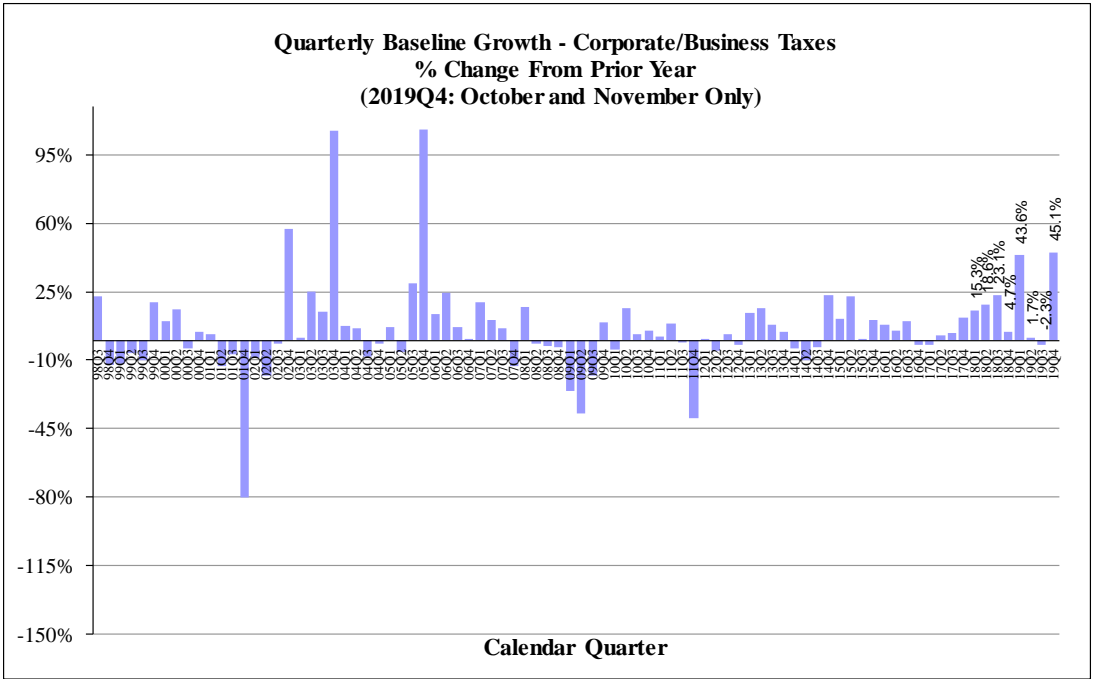
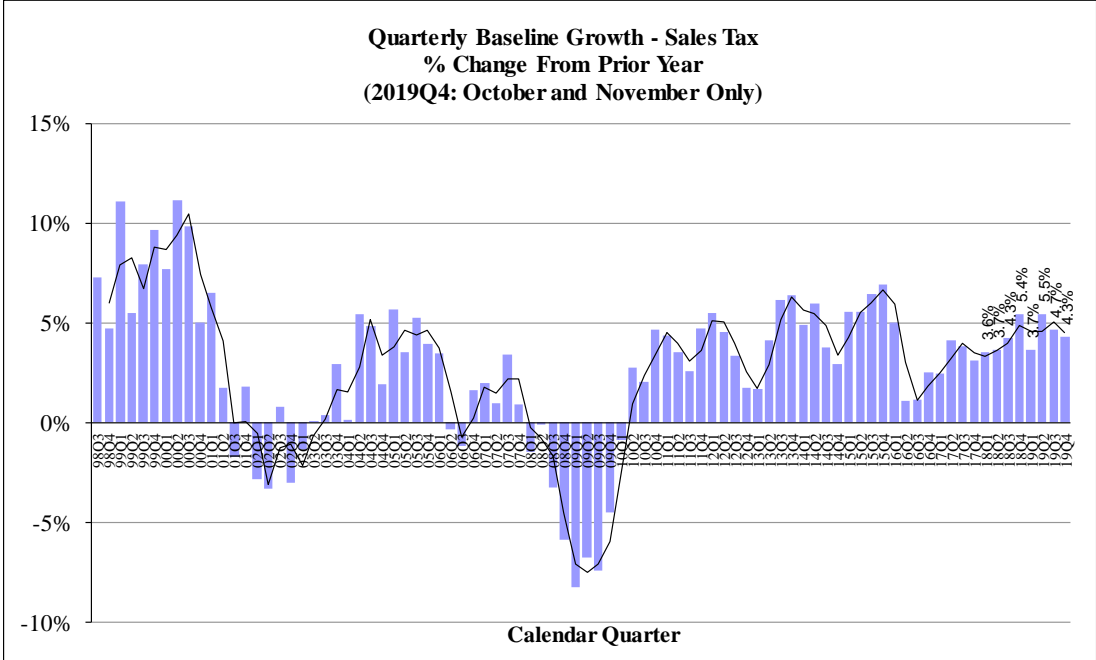
Recent Revenue Trends

- **Withholding**
 - Withholding has grown moderately so far in FY20, with baseline collections up 5.8% through November 2019, after having increased by 4.3% baseline in FY19.
- **Income Tax Estimated Payments (Cash)**
 - Income tax estimated payments (cash) have increased by 5.3% baseline so far in FY20, after having decreased by 20.8% baseline in FY19 (In FY19, there was shift in December-January estimated payments to April return payments).
- **Sales Tax**
 - Sales tax collections are up 4.5% baseline FY20 year-to-date, after having increased by 4.7% baseline in FY19. Year-to-date, regular sales tax is up by 5.1% baseline; meals tax is up 4.1% baseline; motor vehicle sales tax is up 2.1% baseline.
- **Corporate and Business Excise**
 - National corporate profits declined (0.7% year over year) in FY19 after a decrease of 3.9% in FY18. Corporate and business tax collections grew slightly in the first five months of FY20, with a baseline growth of 2.4% through November 2019 after a big increase of 17.6% baseline in FY19.

Recent Revenue Trends



Recent Revenue Trends



The U.S. Economy

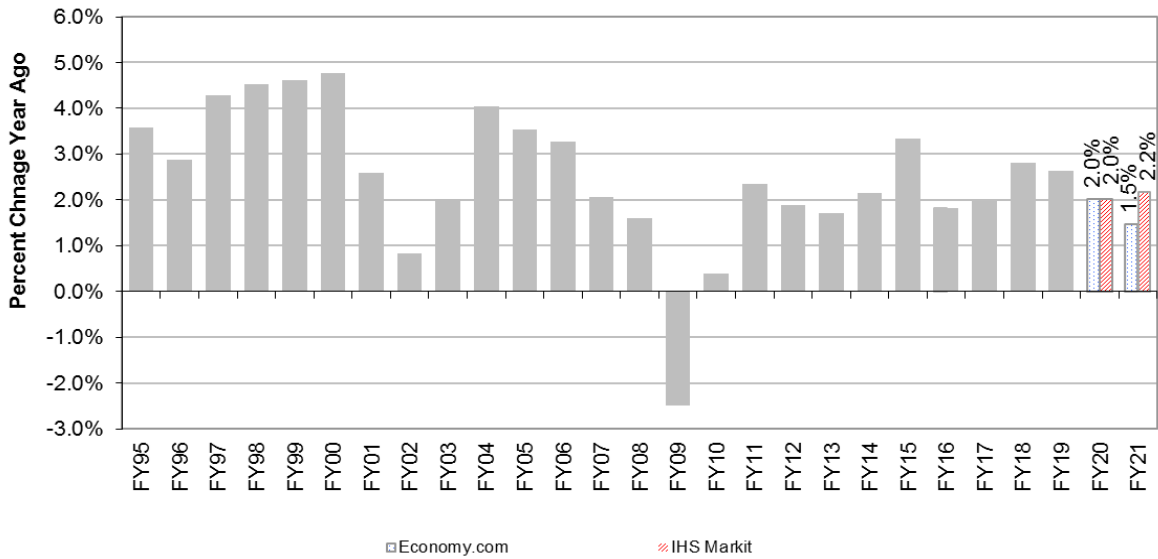
- DOR employs national and Massachusetts state economic forecasts from IHS Markit and Moody's Economy.com.
- The growth of the national real GDP is forecasted to be 2.0% in FY2020 and between 1.5% and 2.2% in FY2021. The general consensus among economists is that a) Federal fiscal policy uncertainties could directly or indirectly affect the economy, 2) Federal Reserve is not likely to raise interest rates for the time being, 3) the economic growth will continue but it will decelerate, and 4) international factors such as the trade conflicts between U.S. and other countries, other global economic issues such as Brexit will continue to cause concerns about economic growth.
- The labor market remains still tight even though the labor force participation rate has been increasing since last year. According to the U.S. Bureau of Labor Statistics, U.S. nonfarm payroll employment rose by about 2.1 million in October 2019 compared with October 2018. The unemployment rate, which was 3.6% in October 2019, is forecasted to be as low as 3.5% to 3.6% in FY2020 and 3.4% to 3.9% in FY2021. The labor force participation rate was 63.3% in October 2019, 0.4 percentage point higher than in October 2018.
- Home sales improved in 2019, but the inventory still remains tight and is a key factor to constrain the growth of home sales. According to the U.S. Census Bureau and the U.S. Department of Housing & Urban Development, new-home sales increased by 31.6% in October 2019 compared with October 2018, and housing inventory decreased from 7.2 months of supply in October 2018 to 5.3 months of supply this October. According to the National Association of Realtors, existing-home sales increased by 4.6% in October 2019 compared with the same period of last year, with median price increasing 6.2%. During the same period, housing inventory of existing homes decreased from 4.3 to 3.9 months of supply.

The U.S. Economy

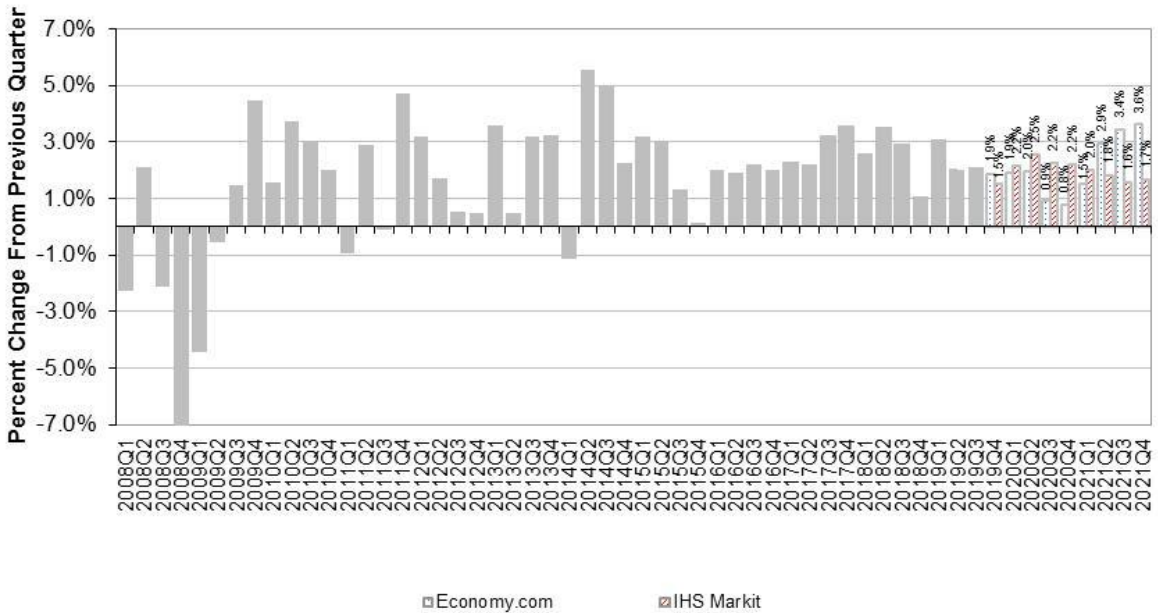
- The Federal Reserve cut interest rate three times in 2019 in effort to boost U.S. economy. The Federal funds rate is forecasted to be 1.8% in FY2020, and 1.4% - 1.8% in FY2021. The bank prime rate is forecasted to be around 4.9% in FY2020 and 4.5% - 4.9% in FY2021.
- US corporate profits before tax is forecasted to grow 0.5% to 5.0% during the last three quarters of FY2020, compared with the same period of FY2019. The annual growth of the corporate profits before tax is forecasted to be -0.4% to 4.1% in FY2020 and 4.3% to 6.5% in FY2021.
- The stock market, as measured by the S&P 500 index, is forecasted to grow by 5.4% to 5.7% in CY2019 but change by -3.3% to 7.3% in CY2020.

The U.S. Economy

Real U.S. GDP Growth, FY1995-2021

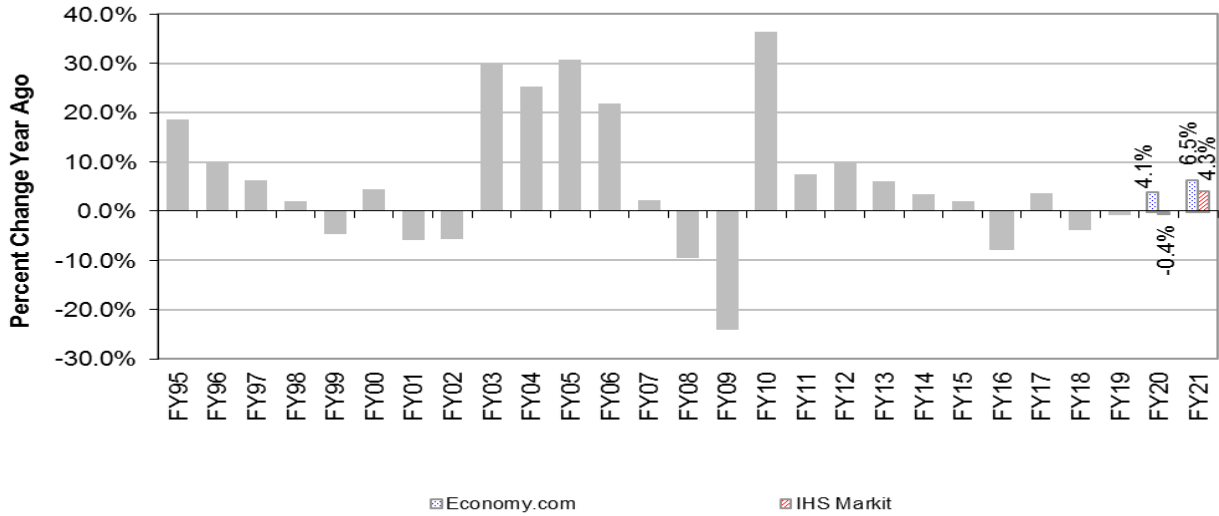


Annualized Quarterly Growth in U.S. Real GDP (Change from Previous Quarter, Annualized)

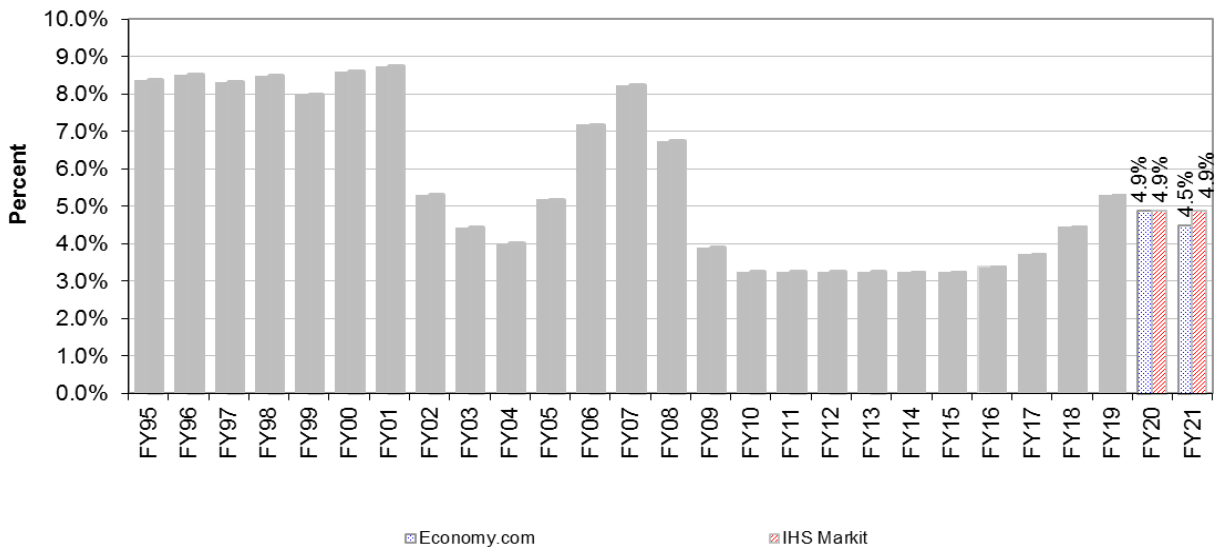


The U.S. Economy

Business Profits are Predicted to Grow
(Corporate Profits Before Tax FY95-21)



Interest Rates are Predicted to Stabilize
(Bank Prime Rate FY95-21)



The Massachusetts Economy

The forecast assumptions and summary for the Massachusetts economy are as follows:

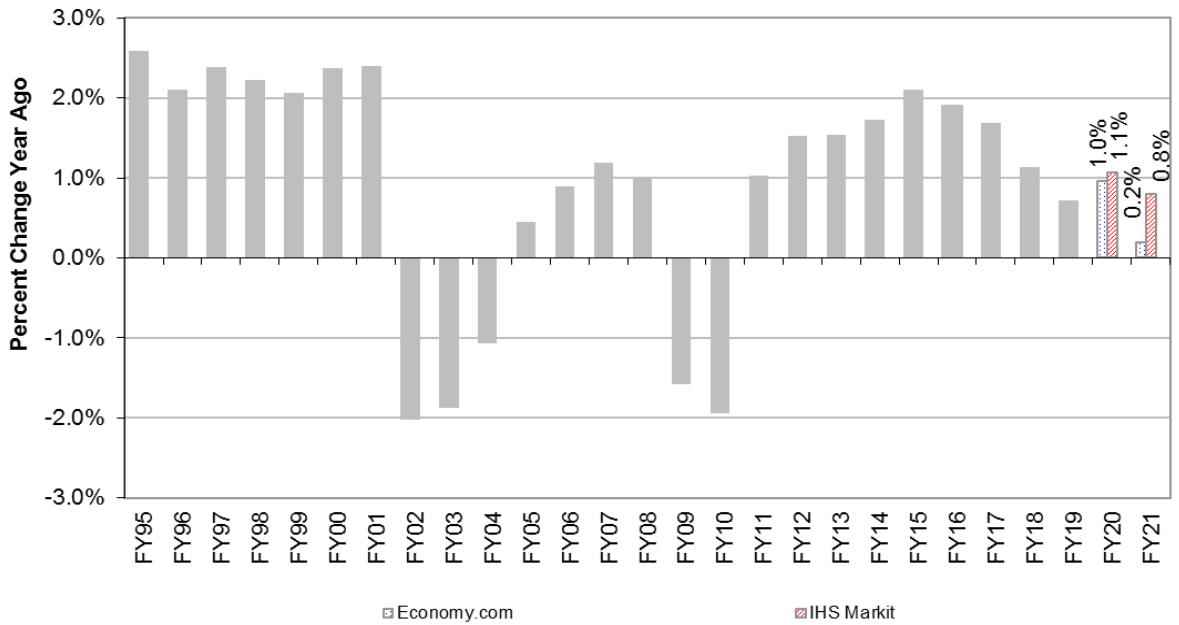
- Massachusetts economic performance is generally in line with the national economic performance, though there are differences in details.
- The Massachusetts real GDP growth will probably be slightly higher than the U.S. real GDP growth in FY2020 but follow a similar trend after that. The Massachusetts real GDP growth rates are forecasted to be 2.3% in FY2020 and 1.4% - 2.0% in FY2021.
- The Massachusetts labor market has continuously outperformed the national labor market. According to the Bureau of Labor Statistics (BLS), from October 2018 to October 2019, Massachusetts added 51,700 nonfarm jobs. The Massachusetts employment is forecasted to grow by 1.0% - 1.1% in FY2020 and 0.2% - 0.8% in FY2021. The state unemployment rate was 2.9% in October 2019, which is the 42th consecutive month that it has been under 4.0%. The Massachusetts unemployment rate is forecasted to be 2.8% in FY2020 and 2.8% - 3.1% in FY2021. The labor force participation rate was 67.7% in October 2019, 0.2 percentage points lower than that in October 2018.
- Massachusetts wage and salary disbursements grew by 4.9% in FY2019 while the growth rate in FY2018 was 5.6%. The growth of the wage and salary disbursements is forecasted to be 5.0% - 5.1% in FY2020 and 3.2% - 4.5% in FY2021. The growth of the Massachusetts personal income is forecasted to be 4.4% - 4.5% in FY2020 and 3.4% - 3.9% in FY2021.
- The Massachusetts retail sales growth is forecasted to be 4.3% - 4.5% in FY2020 and 2.7% - 3.8% in FY2021.

The Massachusetts Economy

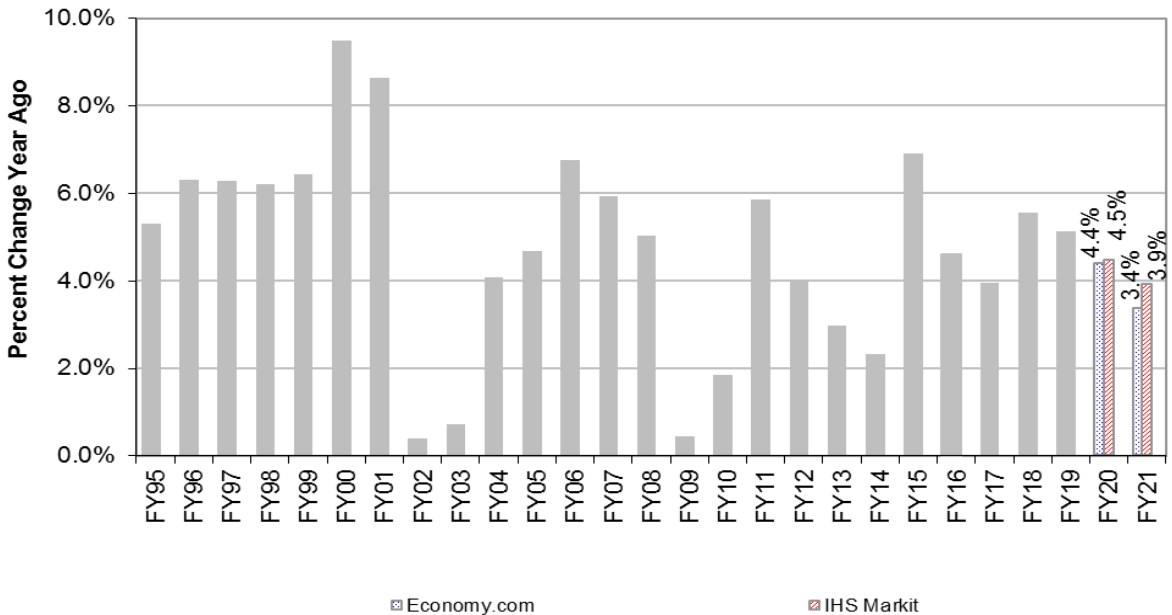
- Massachusetts housing market saw weak sales but rising prices in 2019. According to Massachusetts Association of Realtors (MAR), single-family home sales increased by 0.5% in October 2019 compared with last October with median price rising 1.8%. Year to date through October, single-family home sales have been steady without significant change but with median price increasing 3.8%. Condominium sales increased by 3.2% this October from last October with median price increasing 4.2%. Year to date through October, Condominium sales decreased 1.6% with median price increasing 2.7%. The levels of housing inventory for both types of homes were low in October, with 2.8 months of supply for single-family homes and 2.5 months of supply for condominiums.

The Massachusetts Economy

Massachusetts Employment Forecasts

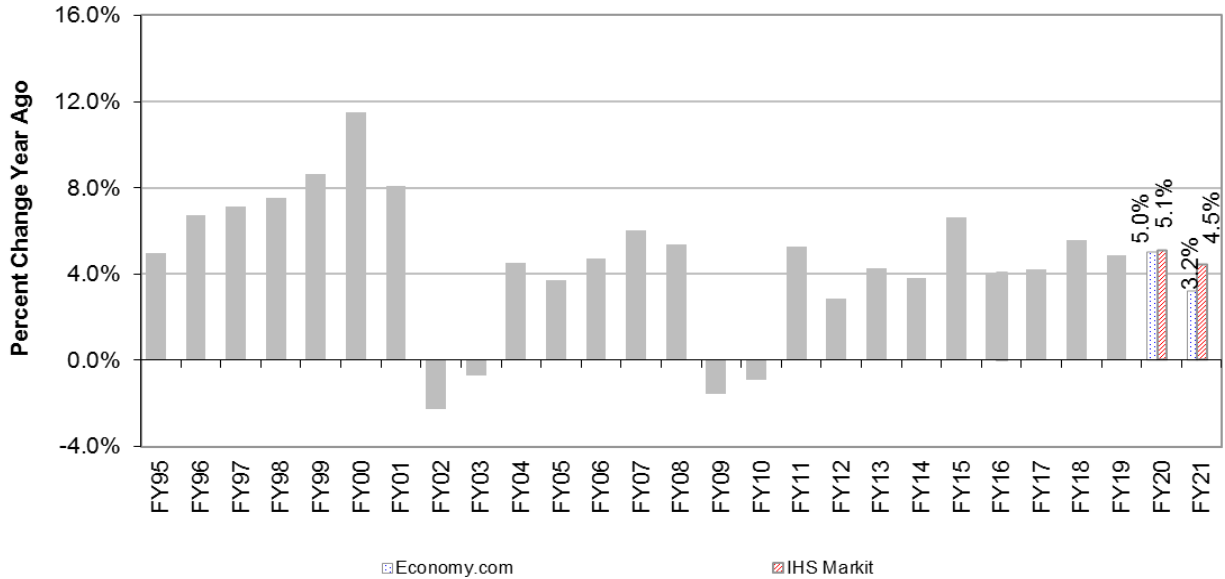


Massachusetts Personal Income Forecasts

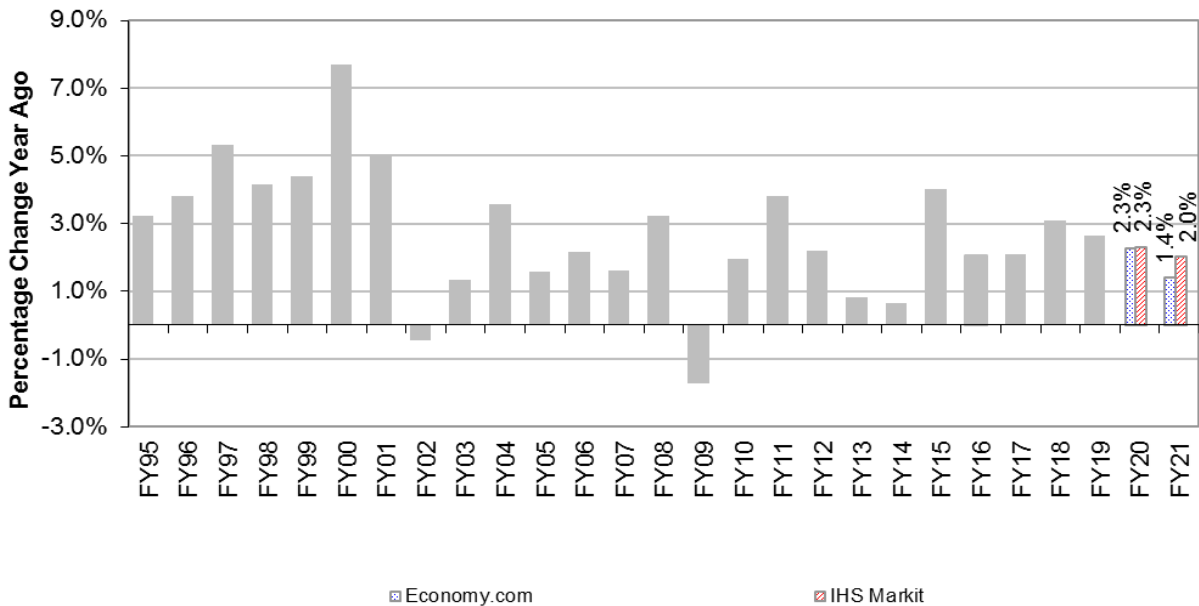


The Massachusetts Economy

Massachusetts Wages and Salaries Forecasts



Massachusetts Real Gross State Product (GSP) Growth FY95-21



U.S and Massachusetts Economic Forecast Table

(Percent Change from Prior Fiscal Year)

						Actual or Forecast	Forecasts				
		FY 2016	FY 2017	FY 2018	FY 2019	FY2020 Q1	FY2020 Q2-Q4	FY 2020	FY 2021	FY 2022	FY 2023
US economic variables											
Real GDP											
	IHS Markit	1.8%	2.0%	2.8%	2.6%	2.0%	2.0%	2.0%	2.2%	1.7%	1.5%
	Economy.com(Moodys)	1.8%	2.0%	2.8%	2.6%	2.0%	2.0%	2.0%	1.5%	2.9%	2.5%
Corporate Profits											
	IHS Markit	-7.6%	3.7%	-3.9%	-0.7%	-2.9%	0.5%	-0.4%	4.3%	5.4%	6.3%
	Economy.com(Moodys)	-7.6%	3.7%	-3.9%	-0.7%	1.4%	5.0%	4.1%	6.5%	6.3%	1.8%
S&P500 (Calendar year)											
	IHS Markit	6.8%	1.5%	17.0%	12.1%	N.A.	N.A.	5.7%	7.3%	0.1%	3.1%
	Economy.com(Moodys)	6.8%	1.5%	17.0%	12.1%	N.A.	N.A.	5.4%	-3.3%	4.2%	6.5%
Unemployment Rate											
	IHS Markit	5.0%	4.7%	4.1%	3.8%	3.6%	3.5%	3.5%	3.4%	3.7%	4.1%
	Economy.com(Moodys)	5.0%	4.7%	4.1%	3.8%	3.6%	3.5%	3.6%	3.9%	4.4%	4.4%
Bank Prime Rate											
	IHS Markit	3.4%	3.7%	4.5%	5.3%	5.3%	4.8%	4.9%	4.9%	5.4%	5.6%
	Economy.com(Moodys)	3.4%	3.7%	4.5%	5.3%	5.3%	4.8%	4.9%	4.5%	5.1%	5.9%
Federal Funds Rate											
	IHS Markit	0.3%	0.6%	1.4%	2.2%	2.2%	1.6%	1.8%	1.8%	2.3%	2.5%
	Economy.com(Moodys)	0.3%	0.6%	1.4%	2.2%	2.2%	1.6%	1.8%	1.4%	2.0%	2.7%
Massachusetts economic variables											
Real Gross State Product											
	IHS Markit	2.0%	2.1%	3.1%	2.7%	2.4%	2.3%	2.3%	2.0%	1.8%	1.5%
	Economy.com(Moodys)	2.0%	2.1%	3.1%	2.7%	2.5%	2.2%	2.3%	1.4%	2.9%	2.6%
Wages & Salaries											
	IHS Markit	4.0%	4.2%	5.6%	4.9%	5.9%	4.9%	5.1%	4.5%	4.4%	4.4%
	Economy.com(Moodys)	4.0%	4.2%	5.6%	4.9%	5.6%	4.8%	5.0%	3.2%	2.7%	3.9%
Personal Income											
	IHS Markit	4.6%	4.0%	5.6%	5.1%	4.9%	4.3%	4.5%	3.9%	4.1%	4.1%
	Economy.com(Moodys)	4.6%	4.0%	5.6%	5.1%	4.8%	4.3%	4.4%	3.4%	4.2%	4.5%
Employment											
	IHS Markit	1.9%	1.7%	1.1%	0.7%	1.0%	1.1%	1.1%	0.8%	0.4%	0.1%
	Economy.com(Moodys)	1.9%	1.7%	1.1%	0.7%	1.0%	0.9%	1.0%	0.2%	0.3%	0.8%
Retail Sales											
	IHS Markit	2.2%	4.1%	4.9%	2.5%	4.2%	4.6%	4.5%	3.8%	3.5%	3.3%
	Economy.com(Moodys)	2.5%	3.4%	5.1%	3.6%	3.5%	4.6%	4.3%	2.7%	3.9%	4.9%
Unemployment Rate											
	IHS Markit	4.3%	3.8%	3.6%	3.1%	2.9%	2.8%	2.8%	2.8%	3.0%	3.4%
	Economy.com(Moodys)	4.3%	3.8%	3.6%	3.1%	2.9%	2.8%	2.8%	3.1%	3.6%	3.9%
Housing Starts											
	IHS Markit	19.6%	2.1%	-0.6%	-21.2%	-9.0%	4.3%	0.7%	12.6%	9.5%	3.4%
Housing Permits											
	Economy.com(Moodys)	-0.9%	3.0%	16.6%	-18.4%	24.5%	3.1%	7.4%	14.4%	27.6%	7.0%
Home Sales											
	Economy.com(Moodys)	15.7%	-5.2%	-8.2%	-4.5%	2.3%	3.7%	3.3%	2.3%	2.3%	0.7%

Note: For S&P500, the numbers are by calendar year with one-year lag.

FY20 and FY21 Tax Revenue Projections

FY20 and FY21 Tax Revenue Projections Based on Economic Forecasts of Moody's Economy.com and Global Insight

(in \$ Billions)

	<u>FY20 Projections</u>	<u>\$ Growth from FY19</u>	<u>% Growth Actual from FY19</u>	<u>% Growth Baseline from FY19</u>	<u>FY21 Projections</u>	<u>\$ Growth from FY20</u>	<u>% Growth Actual from FY20</u>	<u>% Growth Baseline from FY20</u>	<u>% Growth Actual from current FY20 Benchmark</u>
Current Benchmark	\$30.099	\$0.41	1.4%	1.8%	N/A	N/A	N/A	N/A	N/A
Economy.com	\$30.174	\$0.48	1.6%	2.1%	\$30.623	\$0.449	1.5%	2.3%	1.7%
Global Insight	\$30.348	\$0.66	2.2%	2.7%	\$30.988	\$0.639	2.1%	2.9%	3.0%
Midpoint	\$30.261	\$0.57	1.9%	2.4%	\$30.805	\$0.544	1.8%	2.6%	2.3%

FY20 and FY21 Tax Revenue Projections

FY20 Year To Date Baseline Growth; Forecasts for Remainder of FY20 and FY21

	FY19 Baseline Growth	FY20 YTD Baseline Growth	Baseline Growth Remainder of FY20		FY21 Baseline Growth				
					Economy.com		Global Insight		Midpoint
					vs. FY20 updated Forc	vs. FY20 Benchmark	vs. FY20 updated Forc	vs. FY20 Benchmark	vs. FY20 Benchmark
Income Total	5.8%	6.0%	2.0%	3.4%	2.9%	3.2%	3.8%	5.0%	4.1%
<i>Income Withholding</i>	4.3%	5.8%	4.6%	5.6%	3.2%	3.2%	4.5%	5.1%	4.2%
Sales - Regular	4.9%	5.1%	4.0%	5.0%	2.5%	1.3%	4.0%	3.4%	2.4%
Sales - Meals	5.3%	4.1%	3.5%	4.5%	2.5%	0.9%	4.5%	3.4%	2.2%
Sales - Motor Vehicle	3.2%	2.1%	3.0%	-1.0%	2.0%	0.9%	-2.0%	-5.3%	-2.2%
Sales - Total	4.7%	4.5%	3.8%	4.1%	2.4%	1.2%	3.3%	2.3%	1.7%
Corporate & Business	17.6%	2.4%	-9.7%	-10.2%	5.6%	7.6%	4.3%	5.8%	6.7%
Other Tax Revenue	5.4%	2.6%	-3.8%	-2.9%	-6.2%	-3.7%	-5.8%	-2.9%	-3.3%
Total Tax Revenue	6.7%	5.0%	0.4%	1.3%	2.3%	2.6%	2.9%	3.8%	3.2%

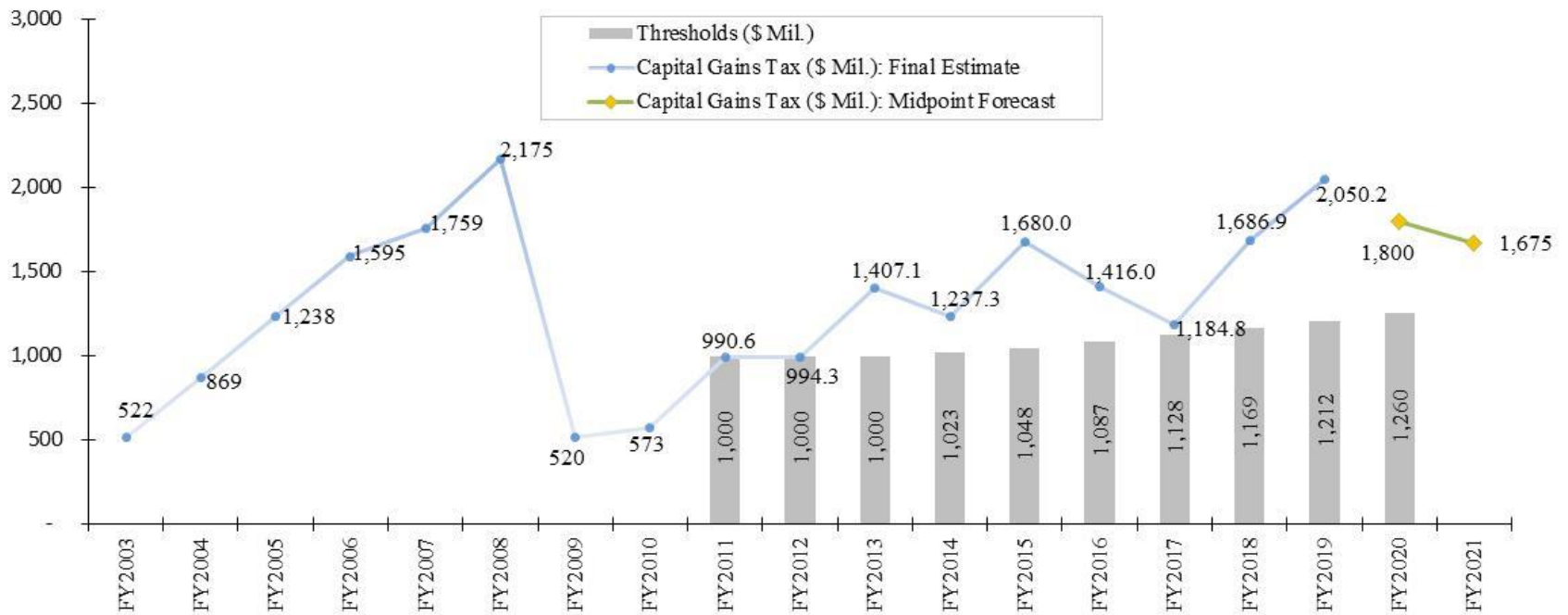
FY20 and FY21 Tax Revenue Projections

FY19 Actual Tax Revenue Collections, FY20 and FY21 Tax Revenue Forecasts (in \$ millions) Forecasts for Remainder of FY20 and FY21.

	FY19 Actual	----- FY 2020 -----			----- FY 2021 -----		
		Current Benchmark	Economy.com	Global Insight	Economy.com	Global Insight	Midpoint
Withholding	13,208	13,740	13,743	13,824	14,112	14,375	14,244
Capital Gains	2,050	1,712	1,750	1,850	1,600	1,750	1,675
Other Income	1,841	1,934	1,935	1,915	2,061	1,968	2,014
Total Income Tax	17,099	17,386	17,427	17,589	17,773	18,093	17,933
Sales: Regular	4,688	5,036	4,978	5,006	5,109	5,210	5,160
Sales: Meals	1,216	1,282	1,262	1,268	1,293	1,325	1,309
Sales: Motor Vehicles	894	928	918	897	936	879	907
Sales Total	6,798	7,245	7,158	7,171	7,338	7,414	7,376
Corporate & Business	3,308	2,970	3,026	3,013	3,169	3,116	3,143
Other Tax Revenue	2,487	2,499	2,563	2,575	2,343	2,364	2,353
Total Tax Revenue	29,693	30,099	30,174	30,348	30,623	30,988	30,805

FY20 and FY21 Tax Revenue Projections

Massachusetts Capital Gains Taxes and Thresholds by Fiscal Year (\$Millions)



(*) Capital gainstax Certifications began in FY2011. Thresholds were \$1 billion from FY11 through FY2013; the thresholds began to grow in FY2014 by a statutory change.

FY20 and FY21 Tax Revenue Projections

Actual and Baseline Tax Revenue Growth, FY1981-FY2021
 (FY20 and FY21 Are Forecasts Based on Average of 2 Vendors)

