



AMY PITTER
COMMISSIONER

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

May 20, 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 May 2013. The attached table shows May 2013 month-to-date and FY2013 year-to-date tax revenue collections through May 15, 2013, along with the dollar and percentage changes from the same collection period in May 2012. Also shown are the percentage growth amounts for the full month of May 2013 and for FY2013 year-to-date through the end of May 2013 that 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.

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

May is normally a small tax collection month, as there are no quarterly estimated payments due for most corporate and business taxpayers or individuals, and filing season is winding down. The May monthly benchmark corresponding to the FY2013 tax revenue estimate of \$21.496 billion totals \$1.486 billion, a decrease of \$131 million, or 8.1% actual from May 2012. Most of the expected decline is due to the fact that DOR received nearly \$200 million settlement related corporate and business tax payments last May, which will not recur this May.

Through May 15, 2013, month-to-date tax collections total \$685 million, down \$146 million, or 17.6% from the same period last May, compared to the benchmark estimate that projects a decrease of \$131 million for the full month. Most activity so far is in withholding, income tax payments with returns and extensions, income tax refunds, and sales and use tax collections.

Month-to-date income tax collections through May 15, 2013 totaled \$520 million, up \$34 million, or 6.9% from the same period in May 2012, compared to the benchmark estimate that projects an increase of \$46 million for the full month. Month-to-date withholding taxes through May 15, 2013 totaled \$418 million, up \$6 million, or 1.4% from the same period in May 2012, compared to the benchmark estimate that projects an increase of \$29 million for the full month. Month-to-date income tax payments with returns and extensions through May 15, 2013 totaled \$137 million, up \$30 million, or 28.2% from the same period in May 2012, compared to the benchmark estimate that projects an increase of \$16 million for the full month. Month-to-date income tax cash refunds through May 15, 2013 totaled \$45 million, up \$1 million, or 2.7% from the same period in May 2012, compared to the benchmark estimate that projects no change from last May.

May is a very small month for corporate and business tax payments. Through May 15, 2013 month-to-date corporate and business tax collections totaled \$20 million, down \$207 million from the same period in May 2012, compared to a \$189 million decrease assumed in the monthly benchmark. As indicated above, most of this decline was expected, which was caused by one-time large settlement related payments received during the first two deposit days of last May.

May sales tax is projected to total \$426 million, an increase of \$11 million from May 2012. May 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 May 20th. Through May 15th, month-to-date sales tax collections totaled \$74 million, up \$7 million from the same period in May 2012.

Monthly motor fuels and rooms tax payments are also due on May 20th. 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 May 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 May 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 May 2013 (in \$ Millions)

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

	----- Month of May -----						----- FY13 Year-to-Date -----					
	05/13 MTD Collections	05/13 MTD v. 05/12 MTD \$ Change	05/13 MTD v. 05/12 MTD % Change	05/13 Full Month Benchmark (*)	% Growth from 05/12 Assumed in Monthly Benchmark	\$ Needed to Reach 05/13 Full Month Benchmark (*)	05/13 FY13 YTD Collections	05/13 FY13 YTD \$ Change	05/13 FY13 YTD % Change	FY13 YTD Benchmark (**)	% Growth from 05/12 Assumed in FY13 YTD Benchmark	\$ Needed to Reach FY13 YTD Benchmark (**)
Income - Total	520	34	6.9%	871	5.6%	351	11,185	846	8.2%	11,177	4.7%	(8)
Income Withholding	418	6	1.4%	778	3.9%	361	8,807	211	2.4%	9,175	2.7%	369
Income Est. Payments (Cash)	11	(1)	(7.5%)	21	4.7%	11	1,655	225	15.7%	1,512	5.1%	(143)
Income Returns/Bills	137	30	28.2%	147	12.1%	11	2,043	407	24.9%	1,848	11.2%	(195)
Income Refunds (Cash)	45	1	2.7%	77	0.1%	32	1,324	3	0.2%	1,361	0.6%	38
Sales & Use - Total	74	7	10.7%	426	2.7%	351	4,347	76	1.8%	4,728	2.4%	380
Sales - Regular	34	4	11.6%	290	2.0%	256	3,018	37	1.2%	3,282	1.5%	264
Sales - Meals	10	0	1.9%	76	4.3%	66	756	26	3.6%	833	5.1%	77
Sales - Motor Vehicles	31	4	13.0%	61	4.5%	30	573	13	2.3%	613	3.6%	40
Corporate & Business - Total	20	(207)	(91.1%)	38	(83.3%)	18	1,740	(144)	(7.7%)	1,583	(16.0%)	(157)
All Other	71	20	39.3%	151	0.4%	80	1,557	17	1.1%	1,633	(0.5%)	75
Total Tax Collections	685	(146)	(17.6%)	1,486	(8.1%)	800	18,830	794	4.4%	19,121	1.6%	291

(*) 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 May full month totals)

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