



AMY PITTER  
COMMISSIONER

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

November 18, 2011

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 Chapter 196 of the Acts of 2008, the Department of Revenue hereby submits its mid-month tax collection report for November 2011. The attached table shows November 2011 month-to-date and FY2012 year-to-date tax revenue collections through November 15, 2011, along with the dollar and percentage changes from the same collection period in November 2010. Also shown are the percentage growth amounts for the full month of November 2011 and for FY2012 year-to-date through the end of November 2011 that were assumed in the benchmarks corresponding to the FY2012 tax revenue estimate of \$21.010 billion, which was revised by the Executive Office for Administration and Finance on October 17, 2011.

November is one of the smallest net tax collection months of the year, as there are no quarterly estimated payments due for individuals and most corporations, and income and corporate tax refunds are relatively high as DOR continues processing the prior year's tax returns filed on extension. The November monthly benchmark corresponding to the revised FY12 revenue estimate of \$21.010 billion assumes revenue collections of \$1.311 billion, a decrease of \$115 million, or 8.1% actual, and an increase of \$21 million, or 1.5% baseline from November 2010 collections. Most of the decline assumed in the November benchmark is due to several one-time revenues that came in last November, which will not recur this November, but also due to the expected timing related shift in withholding collections (from November to October).

Through November 15, 2011, month-to-date tax collections totaled \$510 million, down \$31 million, or 5.8% from the same period in November 2010, with the month-to-date decline primarily the result of lower withholding collections compared to November 2010, which is partly offset by lower corporate and business refunds compared to November 2010.

Month-to-date income tax collections through November 15, 2011 totaled \$398 million, down \$62 million, or 13.5% from the same period in November 2010, with the full month income tax benchmark projecting a decline of \$25 million, or 3.2% from November 2010. Month-to-date income tax withholding totaled \$412 million, down \$52 million, or 11.3% from November 2010, with the full month benchmark projecting withholding decline of \$27 million, or 3.4%. The expected withholding shift from November to October took place on the first deposit day of this month. Month-to-date income tax estimated payments totaled \$7 million, up \$0.2 million, or 2.5% from November 2010, with the full month benchmark projecting growth of \$0.1 million, or 1.0% from November 2010. Month-to-date tax payments with returns and extensions total \$14 million, up \$1 million from the same period last year, with the full month benchmark projecting a growth of \$4 million. Month-to-date income tax refunds total \$36 million, up \$12 million from the same period last year, with the full month benchmark projecting an increase of \$1 million.

As of November 15, 2011, corporate/business tax collections total \$9 million, up \$27 million from the same period last year, with the full month benchmark projecting a decline of \$89 million (most of the decline relative to last year is expected to occur on the last day of the month). Month-to-date corporate and business refunds total \$28 million, down \$32 million from November 2010, with the full month benchmark projecting no change from a year ago. November 15<sup>th</sup> was too early in the month for corporate and business trends to be meaningful as most of the changes expected to occur later in the month.

The November 2011 sales tax benchmark assumes an increase of \$5 million, or 1.4% from November 2010 (the revenues will be reduced by \$11 million due to elimination of sales tax on alcoholic beverages, which took effect on January 1, 2011). Through November 15, 2011, month-to-date sales tax collections totaled \$57 million, up \$4 million, or 8.1% from the same period last November. November 15<sup>th</sup> 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 Monday, November 21<sup>st</sup> (usual due date of the 20<sup>th</sup> fall on a weekend this year).

Monthly motor fuels and rooms tax payments are due on November 21<sup>st</sup> (usual due date of the 20<sup>th</sup> falls on a weekend this year) and there may be other 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 November 15<sup>th</sup> 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 November 2010 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, Acting 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: Jay Gonzalez, 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 Gale D. Candaras, Senate Chair, Joint Committee on Revenue  
Representative Bradley H. Jones, Jr., House Minority Leader  
Senator Bruce Tarr, Senate Minority Leader

## Mid-Month Tax Collection Report for November 2011 (in \$ Millions)

Tax Collections as of November 15, 2011, Compared to Same Collection Period in FY2011 and to the FY2012 Tax Revenue Estimate of \$21.010 Billion

	----- Month of November -----						----- FY12 Year-to-Date -----					
	11/11 MTD Collections	11/11 MTD v. 11/10 MTD \$ Change	11/11 MTD v. 11/10 MTD % Change	11/11 Full Month Benchmark (*)	% Growth from 11/10 Assumed in Monthly Benchmark	\$ Needed to Reach 11/11 Full Month Benchmark (*)	11/11 FY12 YTD Collections	11/11 FY12 YTD \$ Change	11/11 FY12 YTD % Change	FY12 YTD Benchmark (**)	% Growth from 11/10 Assumed in FY12 YTD Benchmark	\$ Needed to Reach FY12 YTD Benchmark (**)
<b>Income - Total</b>	<b>398</b>	<b>(62)</b>	<b>(13.5%)</b>	<b>760</b>	<b>(3.2%)</b>	<b>362</b>	<b>4,006</b>	<b>239</b>	<b>6.3%</b>	<b>4,381</b>	<b>7.1%</b>	<b>375</b>
Income Withholding	412	(52)	(11.3%)	769	(3.4%)	358	3,504	135	4.0%	3,902	5.4%	398
Income Est. Payments (Cash)	7	0	2.5%	12	1.0%	6	485	54	12.5%	484	10.9%	(0)
Income Returns/Bills	14	1	10.2%	33	13.0%	18	178	28	18.9%	189	14.1%	11
Income Refunds (Cash)	36	12	49.7%	54	2.4%	18	160	(21)	(11.4%)	193	(8.1%)	32
<b>Sales &amp; Use - Total</b>	<b>57</b>	<b>4</b>	<b>8.1%</b>	<b>406</b>	<b>1.4%</b>	<b>349</b>	<b>1,759</b>	<b>18</b>	<b>1.0%</b>	<b>2,102</b>	<b>0.6%</b>	<b>343</b>
Sales - Regular	29	6	28.5%	283	0.1%	254	1,202	(4)	(0.4%)	1,454	(0.9%)	252
Sales - Meals	8	(0)	(3.9%)	73	3.8%	65	319	14	4.7%	381	4.1%	62
Sales - Motor Vehicles	20	(2)	(8.3%)	51	5.3%	31	238	8	3.3%	267	3.9%	29
<b>Corporate &amp; Business - Total</b>	<b>9</b>	<b>27</b>	<b>N/A</b>	<b>(1)</b>	<b>N/A</b>	<b>(9)</b>	<b>594</b>	<b>85</b>	<b>16.6%</b>	<b>601</b>	<b>(2.5%)</b>	<b>7</b>
Corporate Excise	4	(4)	(48.6%)	20	(82.4%)	16	508	10	2.1%	576	(4.4%)	67
Insurance Excise	1	0	788.5%	1	11.5%	0	85	10	13.0%	85	12.0%	(0)
Financial Institutions Excise	4	29	N/A	(16)	N/A	(21)	34	84	N/A	(32)	(33.3%)	(65)
Public Utilities Excise	0	2	N/A	(5)	N/A	(5)	(33)	(20)	N/A	(28)	102.3%	5
<b>All Other</b>	<b>47</b>	<b>(1)</b>	<b>(2.2%)</b>	<b>145</b>	<b>(4.7%)</b>	<b>98</b>	<b>666</b>	<b>46</b>	<b>7.4%</b>	<b>754</b>	<b>4.2%</b>	<b>89</b>
<b>Total Tax Collections</b>	<b>510</b>	<b>(31)</b>	<b>(5.8%)</b>	<b>1,311</b>	<b>(8.1%)</b>	<b>801</b>	<b>7,025</b>	<b>387</b>	<b>5.8%</b>	<b>7,839</b>	<b>4.2%</b>	<b>814</b>

(\*) Benchmarks are based on the FY12 tax revenue estimate of \$21.010 billion

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

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