

12/3/09 — November Revenue Collections Total \$1.290 Billion

Thursday, December 3, 2009

Robert R. Bliss

blissr@dor.state.ma.us

617-626-2369

Collections down \$369 million for first five months of FY10; \$37 million above revised benchmark

Revenue Commissioner Navjeet K. Bal today announced that preliminary revenue collections for November 2009 totaled \$1.290 billion, up \$33 million or 2.7 percent from last November and \$12 million above the monthly benchmark based on the October 15th revision which lowered the FY10 revenue estimate by \$600 million.

FY10 year-to-date tax collections total \$6.827 billion, down \$369 million or 5.1 percent from the same period one year ago and \$37 million above the year-to-date (YTD) benchmark based on the revised Oct. 15th revenue estimate of \$18.279 billion.

The November withholding collection totaled \$785 million, up \$11 million or 1.4 percent from November 2008, but was \$20 million below the revised benchmark. November's 1.4% withholding growth was entirely the result of a calendar-related shift that inflated the month's withholding collections by \$40-\$50 million and was reflected in the monthly benchmark; without that shift, November withholding collections would have declined by about 4.0%, similar to the decline seen in the first four months of FY10 and consistent with the October 15th revenue estimate.

As anticipated and noted in the Department's October revenue release, November's \$20 million below-benchmark result reversed most of October's \$28 million above-benchmark result, reflecting a timing-related shift that was not factored into the applicable monthly benchmarks. Overall income tax collections, factoring in refunds, were \$6 million better than a year ago but \$5 million below the monthly benchmark.

Sales and use tax collections in November totaled \$382 million, up \$70 million or 22.3 percent from a year ago and were \$6 million above benchmark. Factoring out the sales tax rate increase and the elimination of the alcohol exemption, collections would have declined 5.4 percent or \$18 million for the month, reflecting continued softness in consumer demand, although both the baseline meals and motor vehicles sales tax collections ran slightly ahead of a year ago.

November corporate and business tax collections totaled \$18 million, up \$10 million from a year ago and \$10 million above the revised benchmark.

"There are no quarterly estimated payments due for most individuals and corporations, and income and corporate tax refunds are relatively high in November, which, overall, is a small month for collections," said DOR Commissioner Bal.

"As was the case last year, collections in December and especially January, which is a big month for estimated payments, will provide a clearer view of the state's revenue picture going into the second half of FY10," she said.

YTD income tax collections are \$488 million below those of a year ago, sales and use tax collections are up \$156 million (but down 7.5 percent baseline) and corporate and business tax collections are up \$29 million (but down 1.7 percent baseline).

[FY2010 Year-to-Date Revenue through November 30, 2009](#) PDF

[November 2009 Tax Collection Summary \(preliminary as of December 3, 2009\)](#) PDF

November 2009 Tax Collection Summary (in \$ millions)
(Preliminary as of December 3, 2009)

| | Month of November | | | | FY10 Year-to-Date | | | | |
|--|--------------------------|--------------------------------|----------------------------------|---|----------------------------|--------------------------|----------------------------|----------------------------------|--|
| | 11/09 v. 11/08 \$ Change | 11/09 v. 11/08 Actual % Change | 11/09 v. 11/08 Baseline % Change | 11/09 \$ Above/(Below) Benchmark Based on FY10 Estimate of \$18.279 Billion | 11/09 FY10 YTD Collections | 11/09 FY10 YTD \$ Change | 11/09 FY10 Actual % Change | 11/09 FY10 YTD Baseline % Change | FY10 YTD \$ Above/(Below) Benchmark Based on FY10 Estimate of \$18.279 Billion |
| Income - Total | 748 | 6 | 0.8% | -6.8% | 3,805 | (488) | -11.4% | -11.5% | 11 |
| Income Withholding | 785 | 11 | 1.4% | -3.9% | 3,521 | (138) | -3.8% | -4.3% | 8 |
| Income Est. Payments (Cash) | 13 | 1 | 6.6% | 6.6% | 393 | (215) | -35.4% | -32.9% | 4 |
| Income Returns/Bills | 25 | (0) | -1.0% | -1.0% | 174 | (51) | -22.8% | -24.1% | 14 |
| Income Refunds (Cash) | 75 | 3 | 4.3% | 25.3% | 284 | 80 | 39.3% | 38.9% | 12 |
| Sales & Use - Total | 382 | 70 | 22.3% | -5.4% | 1,854 | 156 | 9.2% | -7.5% | 11 |
| Sales - Regular | 276 | 44 | 18.8% | -8.3% | 1,297 | 80 | 6.5% | -9.9% | 0 |
| Sales - Meals | 66 | 14 | 27.3% | 1.2% | 322 | 34 | 11.6% | -3.2% | 4 |
| Sales - Motor Vehicles | 40 | 12 | 41.6% | 5.8% | 235 | 42 | 22.0% | 1.6% | 7 |
| Corporate & Business - Total | 18 | 10 | 137.5% | 137.5% | 459 | 29 | 6.8% | -1.7% | (2) |
| Corporate Excise | 14 | 2 | 21.1% | 89.2% | 299 | (119) | -28.4% | -38.2% | 8 |
| Insurance Excise | 1 | 1 | 204.9% | 204.9% | 78 | (13) | -14.6% | 9.5% | (1) |
| Financial Institutions Excise | 5 | (1) | -21.6% | -21.6% | 89 | 138 | N/A | N/A | (8) |
| Public Utilities Excise | (2) | 8 | N/A | N/A | (7) | 23 | N/A | N/A | (0) |
| All Other | 142 | (52) | -26.8% | -28.4% | 710 | (66) | -8.5% | -10.4% | 17 |
| Total Tax Collections | 1,290 | 33 | 2.7% | -8.9% | 6,827 | (369) | -5.1% | -9.9% | 37 |
| Memo: Cigarette Tax Increase for Commonwealth Care Trust Fund (Not in FY10 Estimate or Budgetary Fund Benchmarks) | 9.6 | (3.0) | -24.0% | -24.0% | 39.5 | (13.0) | -24.7% | -7.1% | 4 |

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

December Revenue Collections Total \$1.885 Billion

Wednesday, January 6, 2010

Robert R. Bliss

blissr@dor.state.ma.us

617-626-2369

Corporate settlements, growth in major tax categories help drive collections \$194 million above benchmark

Revenue Commissioner Navjeet K. Bal today announced that preliminary revenue collections for December 2009 totaled \$1.885 billion, up \$22 million or 1.2 percent from last December.

Total tax collections were \$194 million above the revised monthly benchmark based on the October 15th, 2009 revenue revision, due largely to several one-time corporate settlement payments and better-than-projected income tax estimated payments and estate tax collections.

December is a significant month for tax collections, as withholding payments start to reflect year-end bonuses, final corporate/business estimated payments are due and some tax payers begin to make their final individual income estimated payments for the year in December (the payments are due on January 15).

FY10 year-to-date tax collections total \$8.711 billion, down \$348 million or 3.8 percent from the same period a year ago (down 8.7% baseline), but are \$230 million above the benchmarks based on the revised FY10 year-to-date revenue estimate of \$18.279 billion.

"December corporate and business tax collections received a boost from settlement payments in excess of \$120 million and finished \$124 million above benchmark. Estate tax payments of \$31 million exceeded benchmark by \$15 million, while income tax collections were \$40 million larger than estimated and sales and use tax collections were \$14 million above estimate," said DOR Commissioner Bal. "Even without the corporate settlements and the estate tax collection, December would have come in more than \$50 million above benchmark, which marks the third consecutive month of above-benchmark collections. While we will continue to closely monitor collections, we are seeing signs of recovery in recent revenues," she said.

December withholding collections totaled \$804 million, down \$37 million or 4.4 percent but \$11 million above benchmark. Year-to-date withholding collections total \$4.325 billion, down \$175 million or 3.9 percent from a year ago but \$19 million above benchmark.

December income tax estimated payments totaled \$131 million, up \$5 million or 4.0 percent and \$23 million above benchmark. As noted above, estimated payments are due on January 15, therefore, income tax estimated payments received in December and January should be considered together. Year-to-date income tax estimated payments are \$523 million, down \$211 million or 28.7 percent from a year ago but \$26 million above benchmark.

December sales tax collections totaled \$377 million, up \$71 million or 23.4 percent and \$14 million above benchmark, with all of the December increase the result of the sales tax rate increase, which generated approximately \$73 million in new revenue, and elimination of the sales tax exemption for alcoholic beverages, which generated approximately \$10 million in new revenue. Without those increases December sales tax collections would have been down 3.9 percent from a year earlier.

Year-to-date sales tax collections total \$2.231 billion, up \$227 million or 11.3 percent from a year ago and are \$25 million above benchmark, with all of the year-to-date growth the result of the sales tax rate increase, which has generated approximately \$300 million in new revenue so far in FY10, and elimination of the sales tax exemption for alcoholic beverages, which has generated approximately \$38 million in new revenue so far in FY10. Without the sales tax increases, year-to-date sales tax collections would have been down 7.0 percent.

December 2009 corporate and business tax collections totaled \$416 million, down \$28 million or 6.3 percent from a year ago but were \$124 million above benchmark due to one-time settlement payments. Year-to-date corporate and business tax collections total \$875 million, up \$1 million or 0.1 percent, and \$121 million above benchmark, but on a baseline basis are 7.5 percent below that of a year ago.

[FY2010 Year-to-Date Revenue through December 31, 2009](#) PDF

[December 2009 Tax Collection Summary \(preliminary as of January 6, 2010\)](#) PDF

December 2009 Tax Collection Summary (in \$ millions)
(Preliminary as of January 6, 2010)

| | Month of December | | | | FY10 Year-to-Date | | | | | |
|---|----------------------|--------------------------|------------------------------|--|-------------------|----------------------|--------------------------|-------------------|--|---|
| | 12/09 v. 12/08 \$ | 12/09 v. 12/08 Actual | 12/09 v. 12/08 Baseline % | 12/09 \$ Above/(Below) FY10 Estimate of \$18.279 Billion | 12/09 FY10 YTD | 12/09 FY10 YTD \$ | 12/09 FY10 YTD Actual | 12/09 FY10 YTD | FY10 YTD \$ Above/(Below) Benchmark Based on FY10 Estimate of \$18.279 Billion | |
| | Change | % Change | Change | Billion | Collections | Change | % Change | Change | Billion | |
| Income - Total | 949 | (39) | -3.9% | 40 | 4,753 | (528) | -10.0% | -9.8% | 50 | |
| Income Withholding | 804 | (37) | -4.4% | 11 | 4,325 | (175) | -3.9% | -3.9% | 19 | |
| Income Est. Payments (Cash) | 131 | 5 | 4.0% | 23 | 523 | (211) | -28.7% | -27.2% | 26 | |
| Income Returns/Bills | 30 | (1) | -3.8% | 9 | 203 | (52) | -20.5% | -21.7% | 23 | |
| Income Refunds (Cash) | 15 | 4 | 38.5% | 1 | 299 | 84 | 39.3% | 38.9% | 13 | |
| Sales & Use - Total | 377 | 71 | 23.4% | 14 | 2,231 | 227 | 11.3% | -7.0% | 25 | |
| Sales - Regular | 273 | 48 | 21.3% | 7 | 1,570 | 128 | 8.9% | -9.4% | 7 | |
| Sales - Meals | 60 | 10 | 20.6% | 0 | 381 | 44 | 12.9% | -3.4% | 4 | |
| Sales - Motor Vehicles | 44 | 13 | 42.6% | 7 | 279 | 56 | 24.8% | 3.0% | 14 | |
| Corporate & Business - Total | 416 | (28) | -6.3% | 124 | 875 | 1 | 0.1% | -7.5% | 121 | |
| Corporate Excise | 358 | 100 | 38.6% | 136 | 657 | (19) | -2.8% | -12.5% | 143 | |
| Insurance Excise | 27 | (3) | -9.4% | (5) | 105 | (16) | -13.3% | 4.8% | (6) | |
| Financial Institutions Excise | 26 | (124) | -82.7% | (4) | 115 | 14 | 14.1% | 11.3% | (12) | |
| Public Utilities Excise | 5 | (1) | -18.7% | (3) | (3) | 22 | N/A | N/A | (3) | |
| All Other | 143 | 18 | 14.4% | 16 | 853 | (48) | -5.4% | -6.8% | 33 | |
| Total Tax Collections | 1,885 | 22 | 1.2% | 194 | 8,711 | (348) | -3.8% | -8.7% | 230 | |
| Memo: Cigarette Tax Increase for Commonwealth Care Trust Fund (Not in FY10 Estimate or Budgetary Fund Benchmarks) | | | | | | | | | | |
| | 14 | (3) | -16.0% | -16.0% | 6 | 59 | (18) | -23.2% | -11.7% | 4 |

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