

MEMORANDUM

TO: Board of Directors, Massachusetts School Building Authority
FROM: John K. McCarthy
DATE: September 17, 2014
RE: Sales Tax Update

Attached, please find monthly tax collection statements and collection summary tables released by the Department of Revenue (“DOR”) for the months of July and August 2014.

The preliminary data provided by the DOR through August 2014 indicates that SMART collections for fiscal year 2015 through August totaled \$130.6 million, representing approximately 4.9% actual growth from fiscal year 2014 collections through the same period.

The Commonwealth’s fiscal year 2015 consensus revenue estimate for SMART collections is \$771.5 million. The fiscal year 2015 estimate represents approximately \$44 million (6.0%) growth over fiscal year 2014 actual collections.

Staff will continue to monitor SMART collections data and provide the Board with updates on fiscal year 2015 SMART collections, and any changes made by the Commonwealth to the fiscal year 2015 SMART estimate.

July 2014 Tax Collection Summary (in \$ millions)
(Preliminary as of August 5, 2014)

	----- Month of July -----					----- FY15 Year-to-Date -----				
	07/14 Collections	07/14 v. 07/13 \$ Change	07/14 v. 07/13 Actual % Change	07/14 v. 07/13 Baseline % Change	07/14 \$ Above/(Below) Benchmark Based on FY15 Estimate of \$24.430 Billion	07/14 FY15 YTD Collections	07/14 FY15 YTD \$ Change	07/14 FY15 YTD Actual % Change	07/14 FY15 YTD Baseline % Change	FY15 YTD \$ Above/(Below) Benchmark Based on FY15 Estimate of \$24.430 Billion
Income - Total	857	(14)	-1.6%	-0.4%	1	857	(14)	-1.6%	-0.4%	1
Income Withholding	814	36	4.7%	5.7%	2	814	36	4.7%	5.7%	2
Income Est. Payments (Cash)	28	4	17.4%	17.4%	3	28	4	17.4%	17.4%	3
Income Returns/Bills	31	(56)	-64.6%	-62.1%	(6)	31	(56)	-64.6%	-62.1%	(6)
Income Refunds (Cash)	16	(2)	-12.6%	-12.6%	(2)	16	(2)	-12.6%	-12.6%	(2)
Sales & Use - Total	516	28	5.7%	4.9%	(0.4)	516	28	5.7%	4.9%	(0.4)
Sales - Regular	357	24	7.1%	5.9%	4	357	24	7.1%	5.9%	4
Sales - Meals	89	2	2.8%	2.8%	(2)	89	2	2.8%	2.8%	(2)
Sales - Motor Vehicles	69	2	2.5%	2.5%	(2)	69	2	2.5%	2.5%	(2)
Corporate & Business - Total	71	3	3.9%	5.3%	20	71	3	3.9%	5.3%	20
All Other	153	(5)	-2.9%	-4.9%	(9)	153	(5)	-2.9%	-4.9%	(9)
Total Tax Collections	1,597	12	0.8%	1.0%	11	1,597	12	0.8%	1.0%	11
<i>Tax Related Settlements & Judgments Exceeding \$10 Million Each:</i>										
	0.0					0.0				...NOT included in the June and YTD collections figures above
Total Tax Collections (*)	1,597	12	0.8%	1.0%	11	1,597	12	0.8%	1.0%	11

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

(*) Including Tax-Related Settlements & Judgments

August 2014 Tax Collection Summary (in \$ millions)
(Preliminary as of September 4, 2014)

	----- Month of August -----					----- FY15 Year-to-Date -----				
	08/14 Collections	08/14 v. 08/13 \$ Change	08/14 v. 08/13 Actual % Change	08/14 v. 08/13 Baseline % Change	08/14 \$ Above/(Below) Benchmark Based on FY15 Estimate of \$24.430 Billion	08/14 FY15 YTD Collections	08/14 FY15 YTD \$ Change	08/14 FY15 YTD Actual % Change	08/14 FY15 YTD Baseline % Change	FY15 YTD \$ Above/(Below) Benchmark Based on FY15 Estimate of \$24.430 Billion
Income - Total	942	93	10.9%	7.9%	62	1,800	80	4.6%	3.8%	64
Income Withholding	902	93	11.5%	8.1%	63	1,716	129	8.1%	6.9%	65
Income Est. Payments (Cash)	20	(2)	-7.0%	-7.0%	(2)	49	3	6.7%	6.7%	1
Income Returns/Bills	39	(1)	-2.6%	2.9%	(1)	71	(57)	-44.4%	-40.9%	(7)
Income Refunds (Cash)	19	(2)	-10.6%	-10.6%	(2)	35	(5)	-11.5%	-11.5%	(5)
Sales & Use - Total	481	18	3.9%	4.0%	(5)	996	45	4.8%	4.4%	(6)
Sales - Regular	322	13	4.0%	3.1%	(5)	679	36	5.6%	4.5%	(1)
Sales - Meals	91	5	5.8%	6.4%	1	180	7	4.1%	4.4%	(1)
Sales - Motor Vehicles	68	1	1.0%	4.7%	(1)	137	2	1.7%	3.6%	(3)
Corporate & Business - Total	12	(23)	-65.8%	-63.1%	(13)	83	(20)	-19.1%	-17.4%	7
All Other	196	(1)	-0.5%	-2.3%	12	348	(7)	-1.9%	-3.8%	2
Total Tax Collections	1,632	87	5.7%	3.9%	56	3,228	99	3.2%	2.4%	66
<i>Tax Related Settlements & Judgments Exceeding \$10 Million Each:</i>										
	0.0					0.0				<i>...NOT included in the June and YTD collections figures above</i>
Total Tax Collections (*)	1,632	87	5.7%	3.9%	56	3,228	99	3.2%	2.4%	66

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

(*) Including tax-related settlements & judgments

For Immediate Release - August 05, 2014

July Revenue Collections Total \$1.597 Billion

Monthly collection is up \$12 million over last July and \$11 million above benchmark

(Boston, MA) - Revenue Commissioner Amy Pitter today announced that preliminary revenue collections for July totaled \$1.597 billion, \$12 million or 0.8 percent more than the state took in last July.

Total tax collections were \$11 million above the monthly benchmark based on the FY15 revenue estimate of \$24.43 billion. The July surplus was mainly due to corporate and business tax payments, which came in better than expected, offsetting lower collections in estate tax and income tax payments with bills and returns.

“With no quarterly estimated payments due for most businesses and individuals, July is a relatively small tax collection month,” said Commissioner Pitter.

Income tax payments with returns or bills totaled \$31 million for July, down \$56 million from last July and \$6 million below the monthly benchmark; most of the July decline was expected and largely due to one-time payments included in last July’s numbers.

Income tax cash refunds for July totaled \$16 million, down \$2 million from last July and \$2 million below the monthly benchmark.

July withholding collections totaled \$814 million, up \$36 million or 4.7 percent from last July and \$2 million above the July benchmark.

Estimated income tax payments of \$28 million for July were \$4 million or 17.4 percent more than last July and \$3 million more than the July benchmark. Sales tax collections totaled \$516 million for July, up \$28 million, or 5.7% from a year ago and slightly below the July benchmark.

Corporate and business tax collections of \$71 million were up \$3 million or 3.9 percent from a year ago and \$20 million above the anticipated monthly estimate.

Other tax collections, which include revenues from deeds and estates, totaled \$153 million, \$5 million or 2.9 percent less than last July and \$9 million below the July benchmark, largely due to relatively low estate tax collections.

For Immediate Release - September 04, 2014

August Revenue Collections Total \$1.632 Billion

(Boston, MA) - Revenue Commissioner Amy Pitter today announced that preliminary revenue collections for August totaled \$1.632 billion, \$87 million or 5.7 percent more than the same month last year. Better than expected gains in withholding more than offset the shortfall in sales and use taxes and corporate and business collections to end the month \$56 million above the monthly benchmark.

Year-to-date tax collections total \$3.228 billion two months into the new fiscal year, \$99 million or 3.2 percent more than the same period last year and \$66 million above benchmark.

“August is a relatively small month for tax collections with no quarterly payments due for most individual and corporate taxpayers,” said Commissioner Pitter. “Income withholding payments came in at a greater pace than expected, likely due to a combination of job gains and acceleration of payments from later months into August.”

Total income tax payments for August were \$942 million, \$93 million or 10.9 percent over last August and \$62 million over the monthly benchmark. Year-to-date income tax collections total \$1.8 billion, \$80 million or 4.6 percent over the same period last year and \$64 million over the year-to-date benchmark.

Income withholding collections totaled \$902 million, \$93 million or 11.5 percent more than last August and \$63 million over the August benchmark. Income tax payments with returns or bills brought in \$39 million in August, \$1 million or 2.6 percent below last August.

Sales and use tax collections for August totaled \$481 million, up \$18 million or 3.9 percent from last August but \$5 million below what was projected. Year-to-date collections totaled \$996 million, \$45 million or 4.8 percent over the same period last year and \$6 million below benchmark.

Corporate and business tax collections totaled \$12 million in August, \$23 million or 65.8 percent less than last August and \$13 million below the monthly benchmark. Year-to-date corporate and business collections totaled \$83 million, \$20 million or 19.1 percent less than the same period last year and \$7 million above the year-to-date benchmark.