

## MEMORANDUM

**TO:** Board of Directors, Massachusetts School Building Authority  
**FROM:** Maureen Valente, Chief Executive Officer and John K. McCarthy, Executive Director  
**DATE:** September 23, 2015  
**RE:** Sales Tax Update

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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 (preliminary) 2015.

The preliminary data provided by the DOR through August 2015 indicates that SMART collections for fiscal year 2016 through August totaled \$138.3 million, representing approximately 5.9% actual growth from fiscal year 2015 collections through the same period.

The Commonwealth’s fiscal year 2016 consensus revenue estimate for SMART collections is approximately \$803.9 million. The fiscal year 2016 estimate represents approximately \$39.8 million (5.2%) growth over fiscal year 2015 actual collections.

Staff will continue to monitor SMART collections data and provide the Board with updates on fiscal year 2016 SMART collections, and any changes made by the Commonwealth to the fiscal year 2016 SMART estimate.



## MASSACHUSETTS DEPARTMENT OF REVENUE

Mark Nunnely, Commissioner

**For Immediate Release:**  
August 5, 2015

**Contact:**  
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### July Revenue Collections Total \$1.673 Billion

**(Boston, MA)**- Revenue Commissioner Mark Nunnely today announced that preliminary revenue collections for July totaled \$1.673 billion, \$77 million or 4.8 percent more than last July.

- Revenues were \$7 million above benchmark for July
- Income collections were \$12 million above the monthly benchmark
- Withholding collections were \$27 million above the monthly benchmark
- Corporate and business taxes were \$23 million below the July benchmark
- Sales and use tax collections were \$7 million above benchmark for July
- All other collections were \$10 million above benchmark for July

“July is a small tax collection month with no quarterly estimated payments due for most individuals and businesses,” said Commissioner Nunnely. “Withholding continues to be strong but was largely offset this month by lower than expected corporate and business collections, and higher personal income tax refunds.”

- **Income tax collections** for July were \$915 million, \$57 million or 6.7 percent more than a year ago and \$12 million above the monthly benchmark.
- **Withholding collections** for July totaled \$883 million, up \$69 million or 8.5 percent from last July and \$27 million above the July benchmark.
- **Income tax payments with returns or tax bills** for July totaled \$33 million, \$1 million or 3 percent more than last July and \$1 million below the monthly benchmark.
- **Income tax estimated payments** totaled \$29 million for July, \$0.1 million or 0.4 percent less than a year ago and \$1 million below the monthly benchmark.
- **Income cash refunds** in July totaled \$29 million, up \$13 million or 83.3 percent from a year ago and \$13 million above the July benchmark.
- **Corporate and business tax collections** for the month totaled \$48 million, down \$24 million or 33.6 percent from last July and \$23 million below the monthly benchmark.
- **Sales tax collections** for July totaled \$549 million, up \$34 million or 6.6 percent from last July and \$7 million above benchmark for the month.
- **Other tax collections**, including revenues from deeds and estates, totaled \$161 million in July, \$10 million or 6.6 percent more than last July and \$10 million above the July benchmark.

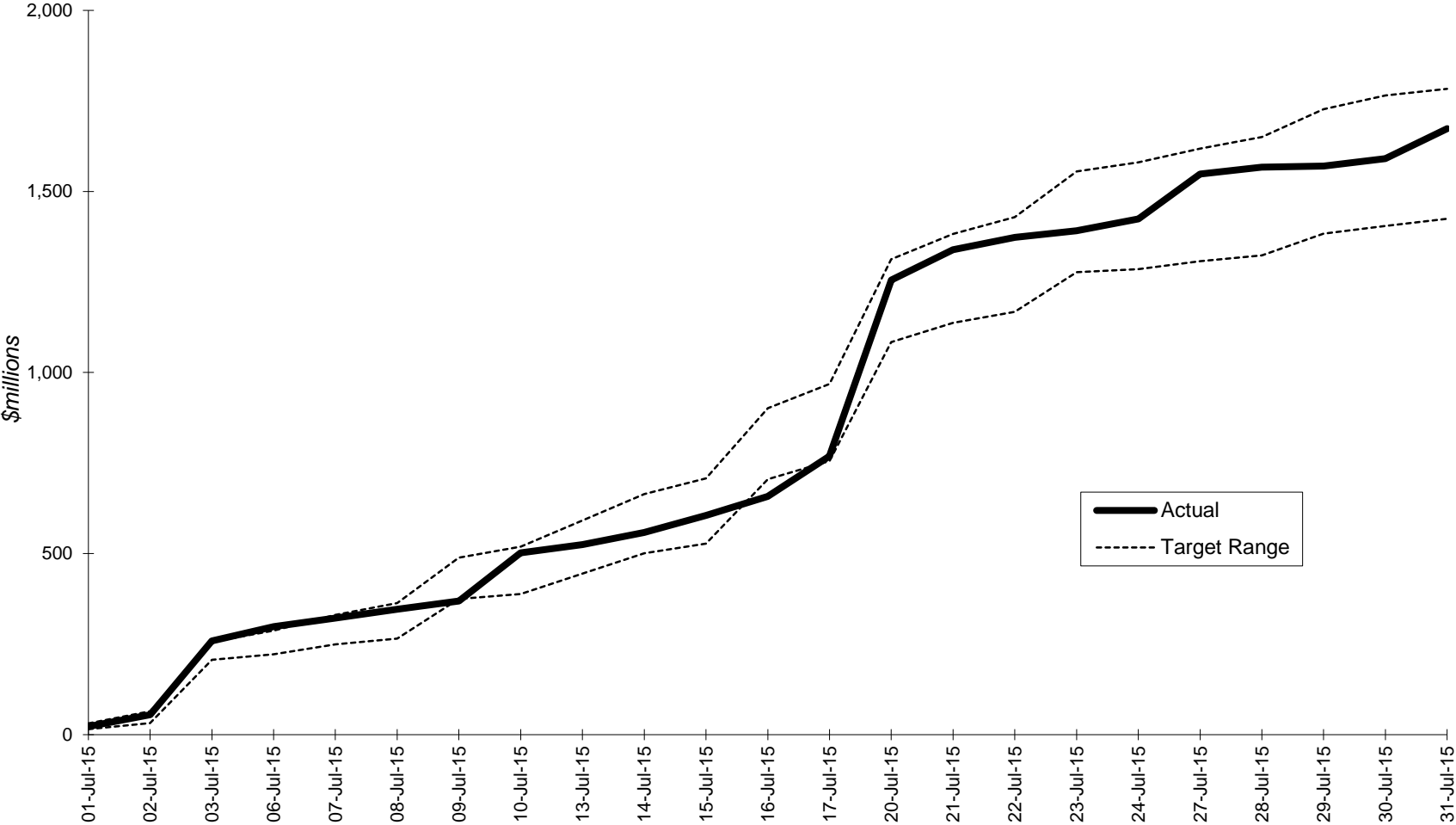
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**July 2015 Tax Collection Summary (in \$ millions)**  
**(Preliminary as of August 5, 2015)**

|  | ----- Month of July ----- |                                |                                      |  |   | ----- FY16 Year-to-Date -----    |                                |                                      |   |  |
|--|---------------------------|--------------------------------|--------------------------------------|--|---|----------------------------------|--------------------------------|--------------------------------------|---|--|
|  | 07/16<br>Collections      | 07/16 v.<br>07/15 \$<br>Change | 07/16 v.<br>07/15 Actual<br>% Change | 07/16 v. 07/15<br>Baseline %<br>Change | 07/16 \$<br>Above/(Below)<br>Benchmark Based<br>on FY16 Estimate<br>of \$25.479 Billion | 07/16 FY16<br>YTD<br>Collections | 07/16 FY16<br>YTD \$<br>Change | 07/16 FY16<br>YTD Actual<br>% Change | 07/16 FY16<br>YTD<br>Baseline %<br>Change | FY16 YTD \$<br>Above/(Below)<br>Benchmark Based<br>on FY16 Estimate<br>of \$25.479 Billion |
| <b>Income - Total</b>  | <b>915</b>                | <b>57</b>                      | <b>6.7%</b>                          | <b>7.2%</b>                            | <b>12</b>   | <b>915</b>                       | <b>57</b>                      | <b>6.7%</b>                          | <b>7.2%</b>                               | <b>12</b>  |
| Income Withholding   | 883                       | 69                             | 8.5%                                 | 8.9%                                   | 27  | 883                              | 69                             | 8.5%                                 | 8.9%                                      | 27   |
| Income Est. Payments (Cash)  | 29                        | (0.1)                          | -0.4%                                | 0.3%                                   | (1)   | 29                               | (0.1)                          | -0.4%                                | 0.3%                                      | (1)  |
| Income Returns/Bills   | 33                        | 1                              | 3.0%                                 | 6.5%                                   | (1)   | 33                               | 1                              | 3.0%                                 | 6.5%                                      | (1)  |
| Income Refunds (Cash)  | 29                        | 13                             | 83.3%                                | 83.3%                                  | 13  | 29                               | 13                             | 83.3%                                | 83.3%                                     | 13   |
| <b>Sales &amp; Use - Total</b>   | <b>549</b>                | <b>34</b>                      | <b>6.6%</b>                          | <b>6.0%</b>                            | <b>7</b>  | <b>549</b>                       | <b>34</b>                      | <b>6.6%</b>                          | <b>6.0%</b>                               | <b>7</b>   |
| Sales - Regular  | 377                       | 21                             | 5.7%                                 | 5.5%                                   | 5   | 377                              | 21                             | 5.7%                                 | 5.5%                                      | 5  |
| Sales - Meals  | 96                        | 7                              | 8.2%                                 | 7.7%                                   | 3   | 96                               | 7                              | 8.2%                                 | 7.7%                                      | 3  |
| Sales - Motor Vehicles   | 76                        | 6                              | 9.1%                                 | 6.1%                                   | (1)   | 76                               | 6                              | 9.1%                                 | 6.1%                                      | (1)  |
| <b>Corporate &amp; Business - Total</b>  | <b>48</b>                 | <b>(24)</b>                    | <b>-33.6%</b>                        | <b>-33.6%</b>                          | <b>(23)</b>   | <b>48</b>                        | <b>(24)</b>                    | <b>-33.6%</b>                        | <b>-33.6%</b>                             | <b>(23)</b>  |
| <b>All Other</b>   | <b>161</b>                | <b>10</b>                      | <b>6.6%</b>                          | <b>6.6%</b>                            | <b>10</b>   | <b>161</b>                       | <b>10</b>                      | <b>6.6%</b>                          | <b>6.6%</b>                               | <b>10</b>  |
| <b>Total Tax Collections</b>   | <b>1,673</b>              | <b>77</b>                      | <b>4.8%</b>                          | <b>4.9%</b>                            | <b>7</b>  | <b>1,673</b>                     | <b>77</b>                      | <b>4.8%</b>                          | <b>4.9%</b>                               | <b>7</b>   |
| <i>Tax-Related Settlements &amp; Judgments Exceeding \$10 Million Each</i> (NOT included in the July and YTD collections figures above. July and YTD benchmarks DO NOT assume such large settlements and judgments exceeding \$10 million each). |                           |                                |                                      |  |   |                                  |                                |                                      |   |  |
|  | <b>0.0</b>                |                                |                                      |  |   | <b>0.0</b>                       |                                |                                      |   |  |
| <b>Total Tax Collections</b><br>(Including tax-related settlements & judgments)  | 1,673                     | 77                             | 4.8%                                 | 4.9%                                   |   | 1,673                            | 77                             | 4.8%                                 | 4.9%                                      |  |
| <b>Corporate &amp; Business - Total</b><br>(Including tax-related settlements & judgments)   | 48                        | (24)                           | -33.6%                               | -33.6%                                 |   | 48                               | (24)                           | -33.6%                               | -33.6%                                    |  |
| <b>Income Returns/Bills</b><br>(Including tax-related settlements & judgments)   | 33                        | 1                              | 3.0%                                 | 6.5%                                   |   | 33                               | 1                              | 3.0%                                 | 6.5%                                      |  |

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

# FY2016 Year-to-Date Tax Revenue Through July 31, 2015



YTD target range is based on FY2016 tax revenue estimate of \$25,479 billion (includes \$986.3 million in MBTA transfer funds).



## MASSACHUSETTS DEPARTMENT OF REVENUE

Mark Nunnely, Commissioner

**For Immediate Release:**  
September 3, 2015

**Contact:**  
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### August Revenue Collections Total \$1.73 Billion

**(Boston, MA)** - Revenue Commissioner Mark Nunnely today announced that preliminary revenue collections for August totaled \$1.73 billion, \$100 million or 6.1 percent more than last August. For the first two months of the fiscal year, revenues totaled \$3.4 billion, \$175 million or 5.4 percent more than last year at this time and \$39 million above benchmark.

- Revenues were \$34 million above benchmark for August
- Income collections were \$6 million below the monthly benchmark
- Withholding collections were \$3 million above the monthly benchmark
- Corporate and business taxes were \$34 million above the August benchmark
- Sales and use tax collections were \$6 million above benchmark for August
- All other collections were \$1 million above benchmark for August

“Like July, August is historically not a big month for revenue collections because there are no quarterly estimated payments due for most businesses and individuals,” said Commissioner Nunnely. “Corporate and business collections led the categories this month, due to fewer refunds than anticipated, and as a result we may see refunds increase in September or later this year.”

- **Income tax collections** were \$972 million, \$29 million or 3.1 percent more than a year ago and \$6 million below the monthly benchmark.
- **Withholding collections** totaled \$947 million, up \$45 million or 5.0 percent from last August and \$3 million above the August benchmark.
- **Income tax payments with returns or tax bills** totaled \$33 million, \$7 million or 17.2 percent less than last August and \$1 million above the monthly benchmark.
- **Income tax estimated payments** totaled \$21 million, \$2 million or 7.9 percent more than a year ago and on target.

- **Income cash refunds** totaled \$30 million, up \$11 million or 58.2 percent more than a year ago and \$11 million above the August benchmark.
- **Corporate and business tax collections** totaled \$49 million, up \$37 million or 314.1 percent from last August and \$34 million above the monthly benchmark.
- **Sales tax collections** totaled \$509 million, up \$29 million or 6.0 percent from last August and \$6 million above benchmark for the month.
- **Other tax collections**, including revenues from deeds and estates, totaled \$199 million, \$4 million or 2.3 percent more than last year and \$1 million above the August benchmark.

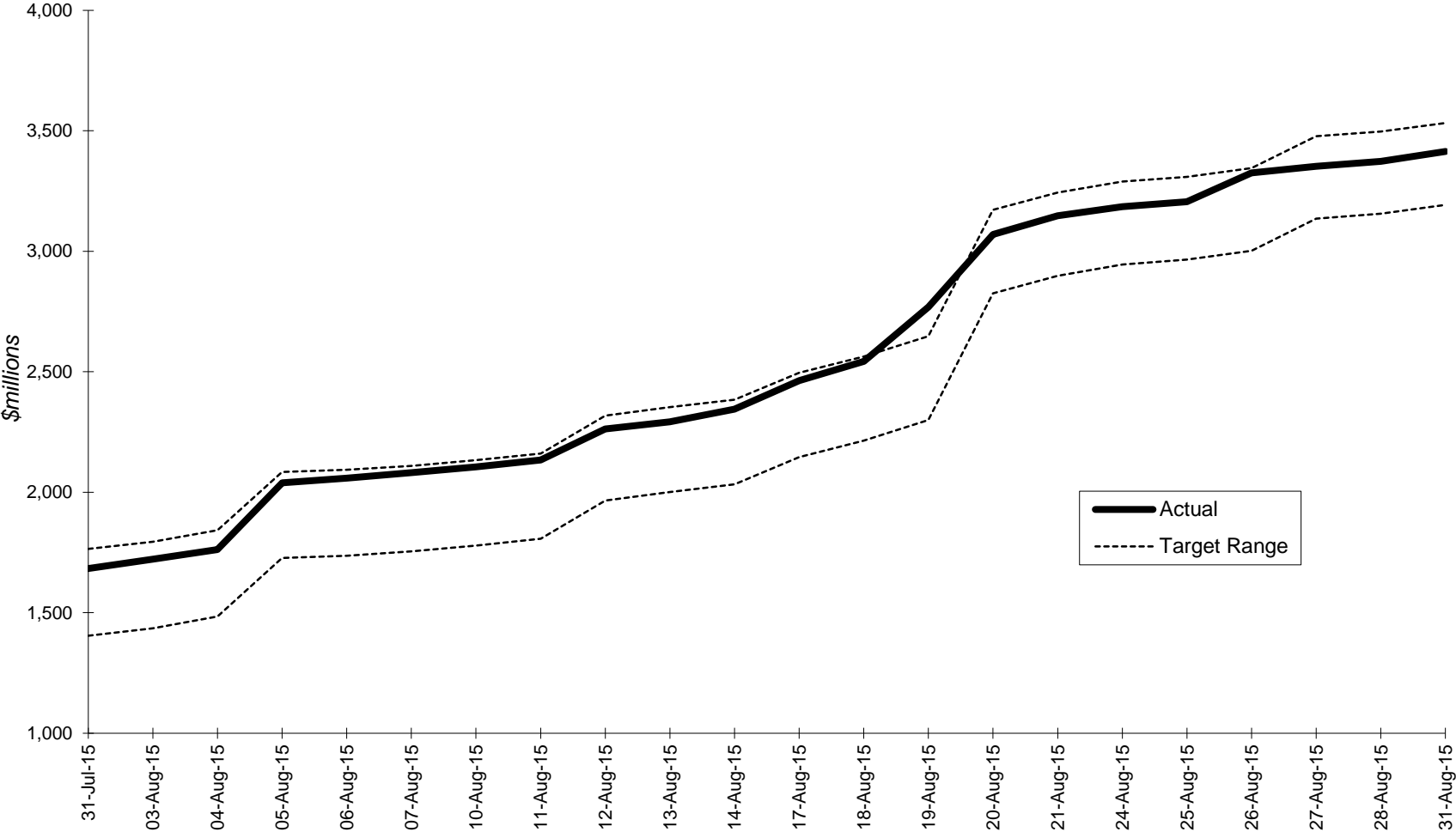
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**August 2015 Tax Collection Summary (in \$ millions)**  
**(Preliminary as of September 3, 2015)**

|  | ----- Month of August ----- |            |               |                     |                     | ----- FY16 Year-to-Date ----- |            |              |              |                  |
|--|-----------------------------|------------|---------------|---------------------|---------------------|-------------------------------|------------|--------------|--------------|------------------|
|  | 08/16                       | 08/16 v.   | 08/16 v.      | 08/16 v.            | 08/16 \$            | 08/16 FY16                    | 08/16 FY16 | 08/16 FY16   | 08/16 FY16   | FY16 YTD \$      |
|  | Collections                 | 08/15 \$   | 08/15 Actual  | 08/15               | Above/(Below)       | YTD                           | YTD \$     | YTD Actual   | YTD          | Above/(Below)    |
|  | Change                      | % Change   | Baseline %    | Benchmark Based     | on FY16 Estimate    | Collections                   | Change     | % Change     | Change       | Benchmark Based  |
|  |                             |            | Change        | of \$25.611 Billion | of \$25.611 Billion |                               |            |              |              | on FY16 Estimate |
| <b>Income - Total</b>  | <b>972</b>                  | <b>29</b>  | <b>3.1%</b>   | <b>4.4%</b>         | <b>(6)</b>          | <b>1,887</b>                  | <b>86</b>  | <b>4.8%</b>  | <b>5.0%</b>  | <b>6</b>         |
| Income Withholding   | 947                         | 45         | 5.0%          | 6.1%                | 3                   | 1,831                         | 114        | 6.7%         | 6.9%         | 30               |
| Income Est. Payments (Cash)  | 21                          | 2          | 7.9%          | 8.5%                | 0                   | 50                            | 1          | 2.1%         | 2.5%         | (1)              |
| Income Returns/Bills   | 33                          | (7)        | -17.2%        | -11.8%              | 1                   | 66                            | (6)        | -7.9%        | -6.3%        | 1                |
| Income Refunds (Cash)  | 30                          | 11         | 58.2%         | 58.2%               | 11                  | 59                            | 24         | 69.7%        | 69.7%        | 25               |
| <b>Sales &amp; Use - Total</b>   | <b>509</b>                  | <b>29</b>  | <b>6.0%</b>   | <b>6.1%</b>         | <b>6</b>            | <b>1,058</b>                  | <b>62</b>  | <b>6.3%</b>  | <b>5.9%</b>  | <b>13</b>        |
| Sales - Regular  | 341                         | 19         | 5.9%          | 6.0%                | 5                   | 718                           | 39         | 5.8%         | 5.7%         | 10               |
| Sales - Meals  | 98                          | 7          | 7.5%          | 7.6%                | 2                   | 193                           | 14         | 7.7%         | 7.5%         | 5                |
| Sales - Motor Vehicles   | 71                          | 3          | 4.3%          | 5.0%                | (1)                 | 146                           | 9          | 6.7%         | 5.2%         | (2)              |
| <b>Corporate &amp; Business - Total</b>  | <b>49</b>                   | <b>37</b>  | <b>314.1%</b> | <b>188.4%</b>       | <b>34</b>           | <b>97</b>                     | <b>13</b>  | <b>15.7%</b> | <b>15.7%</b> | <b>11</b>        |
| <b>All Other</b>   | <b>199</b>                  | <b>4</b>   | <b>2.3%</b>   | <b>2.3%</b>         | <b>1</b>            | <b>360</b>                    | <b>13</b>  | <b>3.8%</b>  | <b>3.8%</b>  | <b>10</b>        |
| <b>Total Tax Collections</b>   | <b>1,730</b>                | <b>100</b> | <b>6.1%</b>   | <b>6.0%</b>         | <b>34</b>           | <b>3,401</b>                  | <b>175</b> | <b>5.4%</b>  | <b>5.4%</b>  | <b>39</b>        |
| <i>Tax-Related Settlements &amp; Judgments Exceeding \$10 Million Each</i> (NOT included in the August and YTD collections figures above. August and YTD benchmarks DO NOT assume such large settlements and judgments exceeding \$10 million each). |                             |            |               |                     |                     |                               |            |              |              |                  |
|  | <b>0.0</b>                  |            |               |                     |                     | <b>0.0</b>                    |            |              |              |                  |
| <b>Total Tax Collections</b><br>(Including tax-related settlements & judgments)  | 1,730                       | 100        | 6.1%          | 6.0%                |                     | 3,401                         | 175        | 5.4%         | 5.4%         |                  |
| <b>Corporate &amp; Business - Total</b><br>(Including tax-related settlements & judgments)   | 49                          | 37         | 314.1%        | 188.4%              |                     | 97                            | 13         | 15.7%        | 15.7%        |                  |
| <b>Income Returns/Bills</b><br>(Including tax-related settlements & judgments)   | 33                          | (7)        | -17.2%        | -11.8%              |                     | 66                            | (6)        | -7.9%        | -6.3%        |                  |

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

### FY2016 Year-to-Date Tax Revenue Through August 31, 2015



YTD target range is based on FY2016 tax revenue estimate of \$25,611 billion (includes \$986.3 million in MBTA transfer funds).