

MEMORANDUM

TO: Board of Directors, Massachusetts School Building Authority
FROM: Maureen Valente, Chief Executive Officer and John K. McCarthy, Executive Director /
Deputy CEO
DATE: July 11, 2016
RE: Sales Tax Update

Attached, please find monthly tax collection statement and collection summary table released by the Department of Revenue (“DOR”) for the month of May 2016 (preliminary).

The preliminary data provided by the DOR indicates that SMART collections for fiscal year 2016 through May totaled \$728.7 million, representing approximately 5.00% actual growth from fiscal year 2015 collections through the same period.

The Commonwealth’s fiscal year 2016 most recent revenue estimate from DOR for SMART collections is approximately \$814.8 million (updated from \$800.8 million). The updated fiscal year 2016 estimate would represent approximately \$50.7 million (6.6%) growth over fiscal year 2015 actual collections.

Staff expects that fiscal year 2016 collections will likely come in closer to the previous \$800.8 million estimate which would result represent approximately \$36.7 million (4.8%) growth over fiscal year 2015 actual collections.

The Consensus Revenue Estimate of SMART collections for fiscal year 2017 is \$867.1 million.

Staff will continue to monitor SMART collections data and provide the Board with updates on fiscal year 2016 SMART collections, and any additional changes made by the Commonwealth to the fiscal year 2016 and fiscal year 2017 SMART collections estimates.