

February Revenue Collections Total \$1.177 Billion

Monthly revenues \$117M below monthly and \$134M below year-to-date benchmark

(Boston, MA) – Massachusetts Department of Revenue Commissioner Michael J. Heffernan today announced that preliminary revenue collections for February totaled \$1.177 billion, which is \$117 million or 9.1% below the benchmark. For the fiscal year to date, revenues of \$15.855 billion are below benchmark by \$134 million or 0.8%, and above prior year by \$305 million or 2.0%. February is historically the lowest collection month of the year.

“Revenues for the month of February were below expectations,” said Commissioner Heffernan. “While we maintain a cautious outlook, the remaining four months of the fiscal year have historically delivered nearly 40% of total annual revenues. The March-through-June period includes both the bulk of the individual income tax filing season and important estimated payments. This period will determine how closely we trend to the full-year benchmark. We will be monitoring trends closely.”

- February 2017 revenues were \$1.177 billion, which is \$117 million or 9.1% below the monthly benchmark.
 - Income tax collections were \$531 million, \$77 million or 12.7% below the monthly benchmark.
 - Sales and use tax collections were \$443 million, which is \$4 million or 0.9% below the monthly benchmark.
 - Corporate and business tax collections were \$24 million, \$38 million below the monthly benchmark. Because February has a small base of business tax collections, this generated a high percentage variance of 61.0% below benchmark.
 - Other taxes, which include motor fuels, cigarette, estate, and other categories, were \$179 million, which is \$2 million or 1.1% above the monthly benchmark.
- Income tax collections for February were \$531 million, \$77 million or 12.7% below the monthly benchmark and \$72 million less than February 2016. For the fiscal year-to-date, collections of \$9.151 billion were \$47 million or 0.5% below benchmark, and \$176 million or 2.0% above the same period in 2016.
 - Withholding was \$938 million for the month, \$61 million or 6.1% below the benchmark and \$51 million less than last year. For the fiscal year-to-date, withholding was \$7.926 billion, \$42 million or 0.5% below benchmark and \$304 million or 4.0% ahead of the same period in 2016.
 - Estimated payments totaled \$15 million, \$10 million or 39.4% less than the monthly benchmark and \$8 million less than February 2016. For the fiscal year-to-date, estimated payments of \$1.625 billion were \$23 million or 1.4% below benchmark and \$104 million less than the same period last year.

- Payments with returns and bills for February totaled \$31 million, which is \$14 million or 30.7% less than the monthly benchmark, and \$11 million less than February 2016. On a fiscal year-to-date basis, collections of \$336 million were \$17 million or 4.8% less than benchmark and \$15 million or 4.2% less than the same period in fiscal year 2016.
- Note: February is a low month for both estimated payments and payments with returns. As a result, a moderate swing in dollars causes a large percentage variance. Both categories will have more significant flows in the March – June timeframe.
- Refunds were \$453 million for the month of February, which is \$8 million less than benchmark, creating a favorable variance of 1.7%. On a fiscal year-to-date basis, refunds were \$735 million, which is \$34 million or 4.5% favorable to the benchmark. Comparing the 2017 figures to prior year, refunds in the month of February were \$2 million or 0.3% greater than February 2016, and for the fiscal year-to-date period were \$9 million or 1.3% greater than the same period in fiscal year 2016.
- Sales and use tax collections for February totaled \$443 million, which is \$4 million or 0.9% below the monthly benchmark but \$5 million or 1.1% above the month of February 2016. On a fiscal year-to-date basis, sales and use tax collections of \$4.161 billion were \$17 million or 0.4% below benchmark but \$97 million or 2.4% greater than the same period in fiscal year 2016.
- Breaking down sales and use tax collections for the fiscal year-to-date period: Regular Sales were \$2.889 billion, \$18 million or 0.6% above benchmark. Meals collections were \$752 million, \$2 million or 0.3% above benchmark. Motor vehicles collections were \$520 million, \$37 million or 6.7% below benchmark.
- February is not a major month for corporate and business tax collections. Monthly revenues were \$24 million, \$38 million below benchmark and \$35 million below February 2016. Year-to-date collections were \$1.061 billion, \$39 million or 3.5% below benchmark, and \$40 million or 4.0% above the same period in fiscal year 2016.
- All other tax collections for February totaled \$179 million, \$2 million above the monthly benchmark and up \$6 million over last February. On a fiscal year-to-date basis, other taxes are \$1.481 billion, which is \$31 million or 2.0% below benchmark and \$8 million or 0.5% below last year.