

Press Release

Press Release January Revenue Collections Total \$2.79 Billion

Revenue collections are \$195 million below monthly benchmark, \$403 million below year-to-date benchmark

For immediate release:

2/05/2019

- Massachusetts Department of Revenue

Boston, MA — Massachusetts Department of Revenue Commissioner Christopher C. Harding today announced that preliminary revenue collections for January totaled \$2.79 billion, which is \$195 million or 6.5% below the revised monthly benchmark¹, and \$180 million or 6.1% less than the actual collections in January 2018.

For the fiscal year-to-date through January, revenue collections totaled \$16.1 billion, \$403 million or 2.4% less than the year-to-date benchmark and \$207 million or 1.3% more than the same fiscal year-to-date period in 2018.

“While most major categories of revenue continue to perform generally as expected, Massachusetts, like a number of other states, experienced below-benchmark performance in the category of non-withheld income in both December and January, particularly in individual estimated payments,” Commissioner Harding said. “As discussed in the December report, Massachusetts did experience a shift in estimated payments from December into January. A significant component of the shortfall is likely due to volatile capital gains, and Massachusetts has a statutory mechanism in place to protect itself from this type of volatility.”

“Year to date Withholding and Sales & Use, the two largest revenue categories, show continued growth over the prior year. Withholding is \$236 million or 3.2% ahead of FY18, while Sales & Use is \$205 million or 5.3% ahead of FY18. These categories are associated with overall economic conditions in the state, which continue to show solid growth.”

“As the tax filing season begins, and as we look ahead to the final months of the fiscal year, we will carefully monitor collections and trends in all tax categories.”

In recent years, January has contributed an average of 10% of total annual revenues, ranking number three among the 12 months of the year for share of collections.

- January 2019 revenues of \$2.79 billion were \$195 million below benchmark
- Income tax collections were \$230 million below the monthly benchmark
- Withholding collections were \$27 million below the monthly benchmark
- Sales and use tax collections were \$3 million above the monthly benchmark

- Corporate and business taxes were \$28 million above the monthly benchmark
 - For the fiscal year-to-date period, revenues of \$16.1 billion are \$403 million or 2.4% below the revised benchmark and \$207 million or 1.3% above the prior year figure
-
- Income tax collections for January were \$1.866 billion, which is \$230 million or 11% below benchmark and \$243 million or 11.5% below January 2018.
 - Withholding collections for January totaled \$1.143 billion, \$27 million or 2.3% below benchmark, but \$7 million or 0.6% above January 2018.
 - Income tax estimated payments totaled \$695 million for January, \$191 million or 21.6% below benchmark and \$236 million or 25.3% below January 2018.
 - Income tax return payments totaled \$38 million for January, \$7 million or 16.3% less than benchmark and \$9 million or 19% below January 2018.
 - Income tax refunds in January totaled \$11 million in outflows, \$5 million or 92.3% more than benchmark and \$5 million or 98.2% more than January 2018.
 - Sales and use tax collections for January totaled \$641 million, which is \$3 million or 0.4% more than benchmark and \$28 million or 4.5% more than January 2018.
 - Corporate and business tax collections for the month totaled \$89 million, \$28 million or 45.9% above benchmark and \$34 million or 60.5% more than January 2018.
 - Other tax collections for January totaled \$191 million, which is \$4 million or 2.2% more than benchmark and \$1 million or 0.5% more than January 2018.

¹ The original benchmark for fiscal year 2019 is \$28.392 billion. On December 31, 2018, as part of the fiscal year 2020 Consensus Revenue process, the fiscal year 2019 figure was adjusted to \$28.592 billion. The adjustment is reflected beginning with this January report.