

Press Release January Revenue Collections

Total \$2.959 Billion

Monthly collections up \$172 million vs. January 2019 actual; \$35 million below monthly benchmark

For immediate release:

2/05/2020

- Massachusetts Department of Revenue

(Boston, MA) — Massachusetts Department of Revenue (DOR) Acting Commissioner Kevin Brown today announced that preliminary revenue collections for January totaled \$2.959 billion, which is \$172 million or 6.2% more than the actual collections in January 2019, and \$35 million or 1.2% less than benchmark.¹

“January revenues were slightly below benchmark but significantly above the prior year. On a fiscal year-to-date basis, we continue to see steady, moderate growth above both prior year and benchmark. The monthly results for January show estimated payments coming in somewhat below expectations, partly offset by the surplus in withholding and the ‘All Other’ tax category,” said Acting Commissioner Brown. “With respect to non-withheld income tax or income estimated payments, it appears taxpayers are adjusting to 2017 federal tax law changes, making the timing of non-withheld payments less predictable. This timing uncertainty is expected to be resolved in the filing season and we do not expect it to have any net impact on revenues for the fiscal year as a whole at this time.”

Withholding collections were strong for the month after a slightly weaker December figure, which reflects a normal range of month-to-month fluctuation. On a year to date basis, withholding and sales tax collections show solid growth, indicative of continued positive economic conditions in the state.

In recent years, January has contributed an average of 10.2% of total annual revenues, ranking number four among the twelve months of the year for share of collections. Quarterly Estimated Payments for individuals are due in January.

- January 2020 revenues of \$2.959 billion were \$172 million or 6.2% more than last January, and \$35 million below benchmark
- Income tax collections were \$1.999 billion, \$130 million or 6.9% more than last January, and \$45 million below benchmark
- Withholding tax collections (a subcategory of income tax) were \$1.262 billion, \$119 million or 10.4% more than last January, and \$77 million above benchmark
- Sales and use tax collections were \$675 million, \$33 million or 5.2% ahead of last January, but \$10 million below benchmark
- Corporate and business taxes were \$66 million, \$25 million or 27.7% less than last January, and \$7 million below benchmark

- Other taxes, which include motor fuels, cigarette, estate, and other tax categories, were \$219 million, \$34 million or 18.2% ahead of last January, and \$27 million above benchmark

Details:

- Income tax collections for January were \$1.999 billion, \$45 million or 2.2% below benchmark, but \$130 million or 6.9% more than January 2019.
- Withholding tax collections for January totaled \$1.262 billion, \$77 million or 6.5% above benchmark, and \$119 million or 10.4% more than January 2019.
- Income tax estimated payments totaled \$701 million for January, \$138 million or 16.4% less than benchmark, but \$6 million or 0.9% more than January 2019.
- Income returns and bills totaled \$48 million for January, \$7 million or 18.0% more than benchmark, and \$6 million or 14.6% more than January 2019.
- Income cash refunds in January totaled \$12 million in outflows, \$8 million or 40.7% less than benchmark, but \$1 million or 13.6% more than January 2019.
- Sales and use tax collections for January totaled \$675 million, \$10 million or 1.5% below benchmark, but \$33 million or 5.2% more than January 2019.
- Corporate and business tax collections for the month totaled \$66 million, \$7 million or 9.3% below benchmark, and \$25 million or 27.7% less than January 2019.
- Other tax collections for January totaled \$219 million, \$27 million or 14.2% above benchmark, and \$34 million or 18.2% more than January 2019.

¹ The original benchmark for fiscal year 2020 is \$30.099 billion. On January 13, 2020, as part of the fiscal year 2021 Consensus Revenue process, the fiscal year 2020 figure was adjusted to \$30.289 billion. The adjustment is reflected beginning with this January report.