

Commonwealth of Massachusetts



THOMAS G. SHACK III, ESQ.
COMPTROLLER

OFFICE OF THE COMPTROLLER

ONE ASHBURTON PLACE, 9TH FLOOR
BOSTON, MASSACHUSETTS 02108
TELEPHONE (617) 727-5000
WWW.MASS.GOV/CTR

March 11, 2016

Secretary Kristen Lepore
Executive Office for Administration and Finance
State House, Room 373
Boston, MA 02133

Secretary Stephanie Pollack
Massachusetts Department of Transportation
10 Park Plaza, Room 3170
Boston, Massachusetts, 02116

RE: March 2016 Certification of Projected MBTA Dedicated Sales Tax Revenues for FY2017

Dear Secretary Lepore and Secretary Pollack:

Pursuant to Massachusetts General Laws Chapter 10, Section 35T, this letter certifies projected FY2017 MBTA Dedicated Sales Tax Revenue. This certification was done in consultation with the Department of Revenue. The details of the calculation are shown on the accompanying attachment.

Dedicated Sales Tax Revenues (projected): The projected dedicated sales tax revenue is the amount of "monies received by the Commonwealth equal to one percent of the gross receipts of a sale as defined by the provisions of MGL chapter 64H and one percent of the sales price of a purchase as defined by the provisions of chapter 64I from that portion of the taxes imposed under the provisions of said chapters 64H and 64I as excises upon the sale and use at retail of tangible property or of services, and upon the storage, use or other consumption of tangible property or of services, including interest thereon or penalties plus commencing in fiscal year 2015, the amount of \$160 million in each fiscal year thereafter but not including any portion of such taxes imposed on the sale of meals as defined in paragraph (h) of section 6 of chapter 64H". Based on the most recent FY2017 consensus revenue estimate of \$26.860 billion, the dedicated sales tax revenue amount for fiscal 2017 is projected to be \$1.027 billion, as calculated in the Attachment. Please note that the FY2017 base revenue amount (the statutory minimum sales tax revenue to be received by the MBTA) as certified by the Comptroller on March 1, 2016 is \$992.2 million.

Any shortfall between dedicated sales tax revenue and the base revenue certified on March 1, 2016 will be made up by quarterly transfers from the General Fund, pursuant to the MOU and Chapter 10, Section 35T(b). Based on the attached calculations, there is estimated to be no shortfall between FY 2017 dedicated and base tax revenues. Please note as the dedicated sales tax revenue calculated in this letter is a projection, actual dedicated sales tax revenue could differ from projections during FY17.

Should you have any questions on the calculation of this amount, please feel free to call me or Howard Merkowitz, Deputy Comptroller.

Sincerely yours,

Thomas G. Shack III
Comptroller of the Commonwealth

Cc: Senator Karen Spilka, Chairwoman, Senate Ways and Means
Representative Brian Dempsey, Chairman, House Ways and Means
Deborah B. Goldberg, Treasurer and Receiver General
Mark Nunnally, Commissioner of Revenue
Adriana Campos, Senate Ways and Means Budget Director
Kathryn Kendall, House Ways and Means Budget Director

FISCAL YEAR 2017 MBTA DEDICATED REVENUE CALCULATION

Calculation: FY2017 Dedicated Revenue

The projected dedicated sales tax amount was calculated as follows:

	Fiscal Year 2017 <u>March 11, 2016 Certification</u>
Projected Sales and Use Tax Collections, Exclusive of Meals Tax	\$5,419,273,187
Percentage due to the MBTA	<u>× 16%</u>
FY 2017 Projected Dedicated Sales Tax Revenue*	<u>\$1,027,083,710</u>
FY 2017 Base Tax Revenue*	<u>\$992,191,784</u>
Difference, FY2017 Dedicated Minus Base Revenue	\$34,901,926

(*) Includes \$160,000,000 additional dedicated revenue as noted above.