



# Commonwealth of Massachusetts

## OFFICE OF THE COMPTROLLER

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ANDREW W. MAYLOR  
COMPTROLLER

July 31, 2019

Secretary Michael Heffernan  
Executive Office of Administration and Finance

The Honorable Aaron Michlewitz, Chair  
House Committee on Ways and Means

The Honorable Michael J. Rodrigues, Chair  
Senate Committee on Ways and Means

RE: FY2019 Capital Gains Tax Revenue/Transfer to Stabilization Fund

Dear Secretary Heffernan, Chair Michlewitz and Chair Rodrigues:

On July 29, 2019, the Department of Revenue certified to the State Comptroller that, through June 2019, Fiscal Year 2019 capital gains tax revenue totaled \$2,059,911,278.12. Section 5G of Chapter 29 of the Massachusetts General Laws requires capital gains tax revenue in excess of the fiscal year capital gains tax threshold be transferred to the Commonwealth Stabilization Fund from the General Fund. In addition, Section 5G requires that a total of 10% of the amount so transferred to the Stabilization Fund be transferred from the Stabilization Fund to the State Retiree Benefits Trust Fund (SRBTF) and the Commonwealth's Pension Liability Fund (PRIT), in equal 5% increments. As the Fiscal Year 2019 capital gains tax threshold is \$1,211,511,829.94, in addition to previous capital gains tax transfers made in June 2019, I have processed the following transfers:

1. An incremental transfer in the amount of \$212,011,278.18 from the General Fund to the Commonwealth Stabilization Fund;
2. An incremental transfer in the amount of \$10,600,563.91, equal to 5% of the capital gains tax revenues transferred to the Stabilization Fund, from the Stabilization Fund to the State Retiree Benefits Trust Fund (SRBTF);
3. An incremental transfer in the amount of \$10,600,563.91, equal to 5% of the capital gains tax revenues transferred to the Stabilization Fund, from the Stabilization Fund to the Commonwealth's Pension Liability Fund (PRIT).

Together with capital gains tax revenues transferred in June 2019, the total amounts transferred in Fiscal Year 2019 are \$848,399,448.18 from the General Fund to the Stabilization Fund, \$42,419,972.41 transferred from the Stabilization Fund to the Commonwealth's Pension Liability Fund, and \$42,419,972.41 transferred from the Stabilization Fund to the State Retiree Benefits Trust Fund (SRBTF).

If you have any questions regarding this letter, please contact Howard Merkowitz, Deputy Comptroller, at (617) 973-2602.

Sincerely,

Andrew W. Maylor  
Comptroller of the Commonwealth

Enc. Attachment #1: M.G.L. Chapter 29, Section 5G  
Attachment #2: Capital Gains Tax Certification Letter from Commissioner of Revenue  
Attachment #3: FY19 Capital Gains Tax Threshold Certification from Department of Revenue

Cc: Catharine Hornby, Assistant Secretary for the Budget, ANF  
Bran Shim, Finance Director, ANF  
David Bunker, Budget Director, HWM  
Christopher Marino, Budget Director, SWM  
Christopher C. Harding, Commissioner, DOR  
Kazim Ozyurt, Director, Office of Tax Policy Analysis, DOR  
James MacDonald, First Deputy Treasurer, TRE  
Howard Merkowitz, Deputy Comptroller, CTR