



The Department of Revenue (DOR) report on year-to-date net state tax revenue for the current fiscal year, a projection of net state tax revenue for the remainder of the current fiscal year, and a projection of if, and when, net state tax revenue may exceed allowable state tax revenue for the current fiscal year.
February 2024 Monthly 62F Report

Mr. Steven T. James, House Clerk
Office of the Clerk of the House
State House, Room 145
Boston, MA 02133

Mr. Michael D. Hurley, Senate Clerk
Office of the Clerk of the Senate
State House, Room 335
Boston, MA 02133

The Honorable Mark J. Cusack, Chair
Joint Committee on Revenue
State House, Room 34
Boston, MA 02133

The Honorable Susan L. Moran, Chair
Joint Committee on Revenue
State House, Room 312-D
Boston, MA 02133

The Honorable Aaron M. Michlewitz, Chair
House Committee on Ways and Means
State House, Room 243
Boston, MA 02133

The Honorable Michael J. Rodrigues, Chair
Senate Committee on Ways and Means
State House, Room 212
Boston, MA 02133

Dear Clerks James and Hurley and Chairs Cusack, Moran, Michlewitz and Rodrigues,

Pursuant to Section 5 of Chapter 62F, as amended by the Acts of 2023, the Department of Revenue (DOR) hereby submits its February, 2024 report on year-to-date net state tax revenue for the current fiscal year, an estimate of net state tax revenue for the remainder of the current fiscal year, and an estimate of if, and when, net state tax revenue may exceed allowable state tax revenue for the current fiscal year.

Based on DOR's estimates of FY24 full fiscal year net state tax revenue and FY24 allowable state tax revenue, the Department currently projects FY24 full fiscal year net state tax revenue will not exceed FY24 allowable state tax revenue. DOR's estimates are based on currently available data and are subject to revisions as additional data becomes available.

Pursuant to subsection (d) of section 2BBBBBB of section 17 of chapter 29, 4% income surtax revenue shall not be subject to the allowable state tax revenue limitations established by chapter 62F.

Note that for the purposes of this report, year-to-date FY24 revenue and the full fiscal year estimate of FY24 revenue have been reduced by the amount of the 62F payments made in FY24 as a result of the 62F process. Chapter 62F provides that, to determine whether net state tax revenues have exceeded allowable state tax revenues in a fiscal year, net state tax revenues must be "decreased by the amount of state tax revenues abated or refunded." G.L. c. 62F, § 2. In FY24, the application of this statutory requirement results in a net state tax revenue figure that differs from FY24 revenue totals reported in other revenue reports and Commonwealth financial statements, which are issued pursuant to separate statutory authority. The net state tax revenue figure reported here applies only in the context of the 62F calculation for FY24.

Report Highlights

February 29, 2024	year-to-date net state tax revenue excluding 4% income surtax revenue:	23,583,208,647
	DOR's estimate of full year FY24 total net state tax revenue:	39,243,714,245
	DOR's estimate of FY24 allowable net state revenue:	44,130,782,381
	DOR's estimate of the amount by which net state tax revenue will be above(below) allowable state tax revenue:	(4,887,068,136)

If you have questions, please contact Tim Rooney, DOR CFO (rooneyt@dor.state.ma.us).

Sincerely,

Timothy Rooney
Chief Financial Officer
Department of Revenue

cc:

Geoffrey Snyder, Commissioner, Department of Revenue
Kristin Lindquist, Senior Deputy Commissioner, Department of Revenue
Matthew Gorzkowicz, Secretary, Executive Office for Administration and Finance
Dana Sullivan, Chief of Strategy and Operations, Executive Office for Administration and Finance
Christopher Marino, Assistant Secretary of Budget, Executive Office for Administration and Finance
John Caljouw, Finance Director, Executive Office for Administration and Finance
William McNamara, Comptroller, Office of the Comptroller
Kristin Lacroix, Chief Accounting Officer, Office of the Comptroller

Summary Statement

**DOR Monthly Report on Fiscal Year 2024 Net State Tax Revenue and Allowable State Tax Revenue
as Defined by Chapter 62F
February 2024 Monthly 62F Report**

Year-to-Date Net State Tax Revenue

Year-to-date net state tax revenue for FY24, less 4% income surtax revenue as of	February 29, 2024 ⁽¹⁾⁽²⁾ (Exhibit 1)	\$23,583,208,647
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Full Fiscal Year Net State Tax Revenue and Allowable State Tax Revenue Estimates

Estimate of total net state tax revenue for FY24, less 4% income surtax revenue ⁽¹⁾⁽²⁾ (Exhibit 4)		\$39,243,714,245
Allowable state tax revenue for FY23 (Exhibit 3)		\$41,160,988,265
Estimate of allowable state tax revenue growth factor for FY24 (Exhibit 2)		1.0721507
Estimate of allowable state tax revenue for FY24 (Exhibit 3)		\$44,130,782,381
Estimate of the amount net state tax revenue will be above/(below) allowable state tax revenue for the FY24 ⁽³⁾ (Exhibit 4)		(\$4,887,068,136)

1) Pursuant to subsection (d) of section 2BBBBBB of section 17 of chapter 29, 4% income surtax revenues shall not be subject to the allowable state tax revenue limitations established by chapter 62F.

2) For the purposes of this report, year-to-date FY24 revenue and the full fiscal year estimate of FY24 revenue have been reduced by the amount of the 62F payments made in FY24 as a result of the 62F process. Chapter 62F provides that, to determine whether net state tax revenues have exceeded allowable state tax revenues in a fiscal year, net state tax revenues must be "decreased by the amount of state tax revenues abated or refunded." G.L. c. 62F, § 2. In FY24, the application of this statutory requirement results in a net state tax revenue figure that differs from FY24 revenue totals reported in other revenue reports and Commonwealth financial statements, which are issued pursuant to separate statutory authority. The net state tax revenue figure reported here applies only in the context of the 62F calculation for FY24.

3) Per M.G.L Chapter 62F, the State Auditor shall annually on or before the third Tuesday of September, independently determine whether net state tax revenues for the immediately preceding fiscal year exceeded the allowable state tax revenues for said fiscal year.

Exhibit 1
DOR Report: Fiscal Year-to-Date Net State Tax Revenues
February 2024 Monthly 62F Report

Type of State Tax Revenue Collected (By Agency)	Fiscal YTD Net State Tax Revenues as of 2/29/2024
Department of Revenue:	
Alcoholic Beverages	67,231,583
Financial Institutions	5,686,462
Cigarettes	233,450,232
Corporations	1,813,775,841
Deeds	134,443,681
Estate and Inheritance	348,016,712
Income	13,527,708,231
Insurance	200,761,772
Motor Fuels and International Fuel Tax Agreement	481,008,906
Public Utilities	-570,000
Room Occupancy	293,909,166
Sales and Use	6,285,781,249
Club Alcoholic Beverages	335,112
Motor Vehicle Excise	511,642
Convention Center Surcharges	14,044,083
Community Preservation Trust	27,737,625
Controlled Substances and Marijuana Excise	109,788,900
Satellite	3,234,810
Statewide Car Rental	4,361,674
Electronic Nicotine Delivery System	10,449,638
Department of Revenue Before the Reduction of 62F Payments	23,561,667,320
Pari-Mutual Taxes	612,968
Gaming Revenue Tax	267,680,915
Lottery Commission:	
Beano	271,722
Raffles and Bazaars	610,577
State Athletic Commission	
Boxing Contests	396,791
Boxer's Fund	80,708
Division of Insurance	
Excess and Surplus Lines Insurance	95,382,405
Secretary of State:	
Deeds Excise Stamp Tax Fees	58,227,976
Department of Unemployment Assistance:	
Workforce Training Contribution	10,207,586
Other Agencies Sub-Total	433,471,649
Total Net State Tax Revenue Before the Reduction of 62F Payments	23,995,138,968
Less:	
62F Payments made in FY24 ⁽¹⁾	(3,739,915)
Estimate of 4% Income Surtax Revenues ^{(2) (3)}	(408,190,406)
Total Net State Tax Revenue Less the Estimate of 4% Income Surtax Revenue	23,583,208,647

1) For the purposes of this report, year-to-date FY24 revenue and the full fiscal year estimate of FY24 revenue have been reduced by the amount of the 62F payments made in FY24 as a result of the 62F process. Chapter 62F provides that, to determine whether net state tax revenues have exceeded allowable state tax revenues in a fiscal year, net state tax revenues must be "decreased by the amount of state tax revenues abated or refunded." G.L. c. 62F, § 2. In FY24, the application of this statutory requirement results in a net state tax revenue figure that differs from FY24 revenue totals reported in other revenue reports and Commonwealth financial statements, which are issued pursuant to separate statutory authority. The net state tax revenue figure reported here applies only in the context of the 62F calculation for FY24.

2) Pursuant to subsection (d) of section 2BBBBBB of section 17 of chapter 29, 4% income surtax revenues shall not be subject to the allowable state tax revenue limitations established by chapter 62F.

3) Pursuant to Section 20 of Chapter 28 of the 2023 Acts, the Department of Revenue (DOR) is required to certify to the State Comptroller, after each quarterly period during the fiscal year, the amount of tax revenues estimated to have been due to the additional 4% income tax levied pursuant to Article XLIV of the Amendments of the Constitution of the Commonwealth. Based on available data, DOR certified that tax revenues estimated to have been collected from the additional 4% income tax was \$408,190,406 during the period between July 1, 2023 and January 31, 2024. Please note that this amount is subject to revision in future certification periods as DOR further analyzes tax data.

Exhibit 2
DOR Estimate of the Allowable State Tax Growth Factor
For the Fiscal Year Ending June 30, 2024
February 2024 Monthly 62F Report

Calendar Year	Massachusetts Wages and Salaries ⁽¹⁾ (in Thousands)	Wages and Salaries Yearly Growth Rate ⁽²⁾
2020 Actual	\$279,587,061	
2021 Actual	\$312,471,740	1.1176187
2022 Actual	\$333,155,998	1.0661956
2023 Actual	\$344,029,483	1.0326378
Estimate of the Sum of 2021 - 2023 calendar year growth increase		3.2164521
Estimate of the allowable state tax growth factor for FY24⁽³⁾		1.0721507

1) Source:

i) Actual: US Department of Commerce, Bureau of Economic Analysis, Regional Income Division, Washington, D.C. (pursuant to Section 2 of Chapter 62F).

ii) Estimate: based on a combination of US Department of Commerce, Bureau of Economic Analysis, Regional Income Division, Washington, D.C. quarterly wage and salary data and wage and salary growth projections provided by S&P Global Market Intelligence and Moody's Analytics.

2) Wage and salary yearly growth rates are calculated by dividing each calendar year's wages and salaries by those of the previous calendar year.

3) The allowable state tax growth factor equals one-third of the sum of the yearly growth rates for each of the three calendar years ending immediately prior to the current fiscal year.

Note Chapter 62F requires that, in calculating the allowable state tax growth factor for any fiscal year, the same total for Massachusetts wages and salaries for a calendar year utilized in prior calculations involving that calendar year shall be utilized in subsequent calculations involving that calendar year, notwithstanding periodic adjustments by the Bureau of Economic Analysis.

Exhibit 3
DOR Estimate of Allowable State Tax Revenues
for the Fiscal Year Ended June 30, 2024
February 2024 Monthly 62F Report

Allowable state tax revenue for the FY23 ⁽¹⁾	\$41,160,988,265
Allowable state tax growth factor for FY24	1.0721507
Allowable state tax revenue for FY24	<u>\$44,130,782,381</u>

1) As defined in Section 2 of Chapter 62F of the Massachusetts General Laws, “allowable state tax revenues” for a fiscal year means the following: beginning after June 30, 1986, an amount equal to the greater of the allowable state tax revenues for the immediately preceding fiscal year multiplied by the allowable state tax growth for the current year, or in any case no less than the allowable state tax revenues for the preceding fiscal year.

Exhibit 4

Estimate of Net State Tax Revenue for Current Fiscal Year and if Net State Tax Revenue Will Exceed Allowable State Tax Revenue for the Current Fiscal Year.

February 2024 Monthly 62F Report

Type of State Tax Revenue Collected (By Agency)	Fiscal YTD Net State Tax Revenues as of 2/29/2024	DOR Estimate of Year-to-Date Net State Tax Revenue for the Remainder of Fiscal Year 2024			
		Mar-24	Apr-24	May-24	Jun-24
Department of Revenue:					
Alcoholic Beverages	67,231,583	74,192,994	83,137,447	90,913,302	99,762,715
Financial Institutions	5,686,462	11,177,401	14,185,816	14,556,562	18,547,637
Cigarettes	233,450,232	258,098,437	284,802,544	314,142,995	343,210,967
Corporations	1,813,775,841	2,913,506,225	3,516,034,345	3,590,287,608	4,389,623,839
Deeds	134,443,681	142,559,449	154,393,359	165,663,539	194,035,536
Estate and Inheritance	348,016,712	388,014,758	431,073,861	495,937,359	560,756,801
Allowable State Tax Revenue for FY23 (Exhibit 3)	13,527,708,231	15,387,639,123	18,969,783,517	20,488,973,499	22,752,439,738
Insurance	200,761,772	331,876,187	403,712,087	412,564,869	507,865,047
Motor Fuels and International Fuel Tax Agreement	481,008,906	534,839,284	595,317,143	654,443,570	719,704,504
Public Utilities	-570,000	-533,363	-513,291	-510,817	-484,188
Room Occupancy	293,909,166	316,431,705	355,536,326	393,056,919	401,628,692
Sales and Use	6,285,781,249	6,959,173,832	7,808,251,605	8,625,840,033	9,467,797,265
Club Alcoholic Beverages	335,112	393,363	452,497	512,045	585,727
Motor Vehicle Excise	511,642	555,515	600,054	644,904	700,399
Convention Center Surcharges	14,044,083	14,054,861	14,065,638	14,076,416	14,087,193
Community Preservation Trust	27,737,625	29,375,369	31,799,901	34,135,279	40,595,239
Controlled Substances and Marijuana Excise	109,788,900	121,230,975	132,846,722	144,543,636	159,016,689
Satellite	3,234,810	3,618,777	4,008,572	4,401,091	4,886,770
Statewide Car Rental	4,361,674	5,267,241	6,178,278	7,091,871	8,092,896
Electronic Nicotine Delivery System	10,449,638	11,853,807	13,279,289	14,714,732	16,490,862
Department of Revenue Before the Reduction of 62F Payments	23,561,667,320	27,503,325,942	32,818,945,713	35,465,989,411	39,699,344,329
Massachusetts Gaming Commission:					
Pari-Mutuel Taxes	612,968	687,152	761,337	835,521	909,705
Gaming Revenue Tax	267,680,915	301,302,010	334,923,105	368,544,200	402,165,295
Lottery Commission:					
Beano	271,722	302,122	332,983	364,059	402,511
Raffles and Bazaars	610,577	683,675	757,883	832,610	925,071
State Athletic Commission					
Boxing Contests	396,791	396,791	396,791	396,791	396,791
Boxer's Fund	80,708	80,708	80,708	80,708	80,708
Division of Insurance					
Excess and Surplus Lines Insurance	95,382,405	107,182,434	107,622,915	107,884,517	108,809,741
Secretary of State:					
Deeds Excise Stamp Tax Fees	58,227,976	61,488,338	66,495,765	71,447,636	87,947,945
Department of Unemployment Assistance:					
Workforce Training Contribution	10,207,586	10,315,089	11,662,991	27,356,291	27,650,620
Other Agencies Sub-Total	433,471,649	482,438,321	523,034,478	577,742,332	629,288,387
Total Net State Tax Revenue Before the Reduction of 62F Payments	23,995,138,968	27,985,764,262	33,341,980,190	36,043,731,743	40,328,632,716
Less:					
62F Payments made in FY24 ⁽¹⁾	(3,739,915)	(3,739,915)	(3,739,915)	(3,739,915)	(3,739,915)
Estimate of 4% Income Surtax Revenues ^{(2) (3)}	(408,190,406)	(558,331,423)	(894,929,902)	(968,420,511)	(1,081,178,556)
Total Net State Tax Revenue Less the Estimate of 4% Income Surtax Revenue	23,583,208,647	27,423,692,925	32,443,310,374	35,071,571,316	39,243,714,245
Estimate of Allowable State Tax Revenues for the Fiscal Year Ended June 30, 2024	44,130,782,381	44,130,782,381	44,130,782,381	44,130,782,381	44,130,782,381
Net State Tax Revenues above/(below) of Allowable State Tax Revenues⁽⁴⁾	(20,547,573,734)	(16,707,089,457)	(11,687,472,008)	(9,059,211,065)	(4,887,068,136)

- For the purposes of this report, year-to-date FY24 revenue and the full fiscal year estimate of FY24 revenue have been reduced by the amount of the 62F payments made in FY24 as a result of the 62F process. Chapter 62F provides that, to determine whether net state tax revenues have exceeded allowable state tax revenues in a fiscal year, net state tax revenues must be "decreased by the amount of state tax revenues abated or refunded." G.L. c. 62F, § 2. In FY24, the application of this statutory requirement results in a net state tax revenue figure that differs from FY24 revenue totals reported in other revenue reports and Commonwealth financial statements, which are issued pursuant to separate statutory authority. The net state tax revenue figure reported here applies only in the context of the 62F calculation for FY24.
- Pursuant to subsection (d) of section 2BBBBBB of section 17 of chapter 29, 4% income surtax revenues shall not be subject to the allowable state tax revenue limitations established by chapter 62F.
- Pursuant to Section 20 of Chapter 28 of the 2023 Acts, the Department of Revenue (DOR) is required to certify to the State Comptroller, after each quarterly period during the fiscal year, the amount of tax revenue estimated to have been collected due to the additional 4% income tax levied pursuant to Article XLIV of the Amendments of the Constitution of the Commonwealth. Based on available data, DOR certified that tax revenues estimated to have been collected from the additional 4% income tax was \$408,190,406 during the period between July 1, 2023 and January 31, 2024. Please note that this amount is subject to revision in future certification periods as DOR further analyzes tax data.
- Per M.G.L Chapter 62F, the State Auditor shall annually on or before the third Tuesday of September, independently determine whether net state tax revenues for the immediately preceding fiscal year exceeded the allowable state tax revenues for said fiscal year.