



**MASSACHUSETTS
DEPARTMENT OF REVENUE**
Geoffrey E. Snyder, Commissioner

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.
September 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 September, 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 FY25 full fiscal year net state tax revenue and FY25 allowable state tax revenue, the Department currently projects FY25 full fiscal year net state tax revenue will not exceed FY25 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.

Report Highlights

September 30, 2024 year-to-date net state tax revenue excluding 4% income surtax revenue:	9,624,213,271
DOR's estimate of full year FY25 total net state tax revenue:	40,926,884,385
DOR's estimate of FY25 allowable net state revenue:	46,068,000,162
DOR's estimate of the amount by which net state tax revenue will be above(below) allowable state tax revenue:	(5,141,115,777)

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
Sam Gamer, Deputy General Counsel, 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 2025 Net State Tax Revenue and Allowable State Tax Revenue
as Defined by Chapter 62F
September 2024 Monthly 62F Report

Year-to-Date Net State Tax Revenue

Year-to-date net state tax revenue for FY25, less 4% income surtax revenue as of	September 30, 2024 ⁽¹⁾ (Exhibit 1)	\$9,624,213,271
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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 FY25, less 4% income surtax revenue ⁽¹⁾ (Exhibit 4)		\$40,926,884,385
Allowable state tax revenue for FY24 (Exhibit 3)		\$44,130,782,381
Estimate of allowable state tax revenue growth factor for FY25 (Exhibit 2)		1.0438972
Estimate of allowable state tax revenue for FY25 (Exhibit 3)		\$46,068,000,162
Estimate of the amount net state tax revenue will be above/(below) allowable state tax revenue for FY25 ⁽²⁾ (Exhibit 4)		<u><u>(\$5,141,115,777)</u></u>

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) 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

September 2024 Monthly 62F Report

Type of State Tax Revenue Collected (By Agency)	Fiscal YTD Net State Tax Revenues as of 9/30/2024
Department of Revenue:	
Alcoholic Beverages	27,842,350
Financial Institutions	5,615,852
Cigarettes	86,707,275
Corporations	917,316,810
Deeds	49,850,626
Estate and Inheritance	129,559,030
Income	5,640,500,352
Insurance	158,419,995
Motor Fuels and International Fuel Tax Agreement	186,877,470
Public Utilities	0
Room Occupancy	176,716,583
Sales and Use	2,464,703,230
Club Alcoholic Beverages	69,536
Motor Vehicle Excise	55,146
Convention Center Surcharges	4,413,284
Community Preservation Trust	12,671,766
Controlled Substances and Marijuana Excise	39,263,983
Satellite	1,114,398
Statewide Car Rental	1,456,370
Electronic Nicotine Delivery System	3,929,799
Department of Revenue Before the Reduction of 62F Payments	9,907,083,856
Pari-Mutual Taxes	252,345
Gaming Revenue Tax	92,322,944
Lottery Commission:	
Beano	107,718
Raffles and Bazaars	167,307
State Athletic Commission	
Boxing Contests	21,948
Boxer's Fund	5,481
Division of Insurance	
Excess and Surplus Lines Insurance	137,046
Secretary of State:	
Deeds Excise Stamp Tax Fees	18,649,016
Department of Unemployment Assistance:	
Workforce Training Contribution	4,663,131
Other Agencies Sub-Total	116,326,937
Total Net State Tax Revenue Before the Reduction of 62F Payments	10,023,410,794
Less:	
Estimate of 4% Income Surtax Revenues ^{(1) (2)}	(399,197,522)
Total Net State Tax Revenue Less the Estimate of 4% Income Surtax Revenue	9,624,213,271

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) 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. For the purpose of surtax certification, quarterly periods are defined as July 1 to September 30, inclusive, October 1 to January 31, inclusive, February 1 to April 30, inclusive, and May 1 to June 30, inclusive. DOR estimates that the tax revenues collected from the 4% income tax was \$399,197,522 during the period between July 2024 and September 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, 2025
September 2024 Monthly 62F Report

Calendar Year	Massachusetts Wages and Salaries ⁽¹⁾ (in Thousands)	Wages and Salaries Yearly Growth Rate ⁽²⁾
2021 Actual	\$312,471,740	
2022 Actual	\$333,155,998	1.0661956
2023 Actual	\$344,029,483	1.0326378
2024 Estimate	\$355,333,629	1.0328581
Estimate of the Sum of 2022 - 2024 calendar year growth increase		3.1316915
Estimate of the allowable state tax growth factor for FY25⁽³⁾		1.0438972

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, 2025
September 2024 Monthly 62F Report

Allowable state tax revenue for the FY24 ⁽¹⁾	\$44,130,782,381
Estimate of allowable state tax growth factor for the FY25	1.0438972
Estimate of allowable state revenue for the FY25	<u>\$46,068,000,162</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.

September 2024 Monthly 62F Report

Fiscal Year-to-Date of Net State Tax Revenues Type of State Tax Revenue Collected (By Agency)	DOR Estimate of Year-to-Date Net State Tax Revenue for the Remainder of Fiscal Year 2025										
	Fiscal YTD Net State Tax Revenues as of	9/30/2024	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Department of Revenue:											
Alcoholic Beverages	27,842,350	36,522,625	45,008,634	53,831,168	62,658,581	67,922,786	74,819,795	83,306,406	89,938,966	98,771,776	
Financial Institutions	5,615,852	6,046,828	6,400,368	6,799,762	7,200,584	7,615,477	8,045,265	8,490,000	8,938,111	9,386,222	
Cigarettes	86,707,275	119,131,697	145,149,711	173,686,774	202,145,083	224,615,477	246,970,316	273,725,801	300,000,907	327,267,974	
Corporations	917,316,810	1,003,633,155	1,074,440,295	1,155,133,666	1,236,039,715	1,321,843,335	1,412,647,000	1,508,450,716	1,605,255,489	1,702,060,266	
Deeds	49,850,626	69,387,784	91,438,332	110,126,865	131,607,471	144,843,093	157,436,409	174,513,294	194,187,322	234,368,463	
Estate and Inheritance	129,559,030	171,711,107	207,642,043	248,214,477	285,397,957	313,394,717	359,329,137	402,990,424	447,071,965	495,860,760	
Income	5,640,500,352	7,254,599,150	8,616,253,884	10,992,490,560	13,469,600,493	14,467,948,042	16,426,028,885	20,437,844,591	21,832,390,165	24,394,067,285	
Insurance	158,419,995	168,710,987	177,152,908	246,385,578	258,416,016	267,196,113	397,690,641	469,384,783	476,533,184	567,452,714	
Motor Fuels and International Fuel Tax Agreement	186,877,470	247,023,971	308,921,149	369,262,166	428,797,049	486,118,788	540,482,325	599,042,008	657,728,655	721,607,203	
Public Utilities	0	2,876	5,234	24,580	27,941	30,395	66,858	86,891	88,889	114,294	
Room Occupancy	176,716,583	217,836,149	226,997,442	238,841,878	242,216,799	257,904,120	283,713,568	313,548,229	348,462,190	349,832,923	
Sales and Use	2,464,703,230	3,319,157,761	4,084,795,536	4,955,742,395	5,889,526,956	6,593,451,239	7,321,397,217	8,166,152,605	8,989,648,286	9,850,286,027	
Club Alcoholic Beverages	69,536	137,256	193,364	257,156	322,454	381,741	437,946	514,856	566,932	655,490	
Motor Vehicle Excise	55,146	108,924	153,480	204,139	255,992	303,073	347,706	408,782	450,137	520,462	
Convention Center Surcharges	4,413,284	5,488,163	6,563,041	7,637,920	8,712,799	9,787,678	10,862,557	11,937,435	13,012,314	14,087,193	
Community Preservation Trust	12,671,766	17,890,632	23,623,355	28,510,128	34,142,526	37,787,960	41,040,165	45,460,518	50,534,732	61,877,883	
Controlled Substances and Marijuana Excise	39,263,983	52,938,656	64,359,644	77,291,787	90,567,794	102,562,216	113,968,009	129,518,233	140,064,011	158,019,990	
Satellite	1,114,398	1,484,828	1,791,739	2,140,688	2,497,868	2,822,171	3,129,614	3,550,318	3,835,175	4,319,589	
Statewide Car Rental	1,456,370	2,365,986	3,202,810	4,087,808	4,982,240	5,838,995	6,676,427	7,643,657	8,455,207	9,495,449	
Electronic Nicotine Delivery System	3,929,799	5,586,435	6,959,002	8,519,567	10,116,944	11,567,293	12,942,234	14,823,705	16,097,643	18,264,036	
Department of Revenue Before the Reduction of 62F Payments	9,907,083,856	12,699,764,970	15,091,051,970	19,181,689,061	22,887,836,261	24,834,330,519	28,937,190,447	34,678,644,772	37,173,515,943	41,677,719,661	
Massachusetts Gaming Commission:											
Pari-Mutuel Taxes	252,345	341,904	431,463	521,022	610,581	700,140	789,699	879,258	968,817	1,058,376	
Gaming Revenue Tax	92,322,944	137,660,417	182,997,890	228,335,363	273,672,836	319,010,309	364,347,782	409,685,255	455,022,728	500,360,202	
Lottery Commission:											
Beano	107,718	142,634	171,562	204,452	238,119	268,686	297,665	337,318	364,168	409,827	
Raffles and Bazaars	167,307	296,018	402,658	525,260	649,366	762,049	870,229	1,016,408	1,115,385	1,285,056	
State Athletic Commission											
Boxing Contests	21,948	61,176	100,404	139,632	178,860	218,088	257,316	296,544	335,772	375,000	
Boxer's Fund	5,481	13,205	20,929	28,654	36,378	44,103	51,827	59,551	67,276	75,000	
Division of Insurance											
Excess and Surplus Lines Insurance	137,046	138,075	138,334	2,836,991	2,898,720	76,395,739	82,618,072	83,163,437	83,343,173	83,670,174	
Secretary of State:											
Deeds Excise Stamp Tax Fees	18,649,016	27,323,430	36,262,207	43,990,057	52,956,446	59,426,913	64,414,007	71,232,182	78,987,786	100,124,203	
Department of Unemployment Assistance:											
Workforce Training Contribution	4,663,131	4,980,098	7,679,615	7,915,317	8,447,399	10,226,004	10,401,357	11,880,803	26,518,162	26,791,062	
Other Agencies Sub-Total	116,326,937	170,956,956	228,205,063	284,496,748	339,688,705	467,052,033	524,047,955	578,550,758	646,723,267	714,148,899	
Total Net State Tax Revenue Before the Reduction of 62F Payments	10,023,410,794	12,870,721,926	15,319,257,033	19,466,185,809	23,227,524,966	25,301,382,552	29,461,238,402	35,257,195,529	37,820,239,210	42,391,868,560	
Less:											
Estimate of 4% Income Surtax Revenues ^{(1) (2)}	(399,197,522)	(506,483,246)	(564,864,453)	(637,047,378)	(760,175,477)	(806,313,997)	(864,803,724)	(1,268,944,700)	(1,323,062,996)	(1,464,984,175)	
Total Net State Tax Revenue Less the Estimate of 4% Income Surtax Revenue	9,624,213,272	12,364,238,681	14,754,392,579	18,829,138,431	22,467,349,489	24,495,068,554	28,596,434,677	33,988,250,829	36,497,176,214	40,926,884,385	
Estimate of Allowable State Tax Revenues for the Fiscal Year Ended June 30, 2024	46,068,000,162	46,068,000,162	46,068,000,162	46,068,000,162	46,068,000,162	46,068,000,162	46,068,000,162	46,068,000,162	46,068,000,162	46,068,000,162	
Net State Tax Revenues above/(below) of Allowable State Tax Revenues ⁽⁴⁾	(36,443,786,891)	(33,703,761,481)	(31,313,607,582)	(27,238,861,731)	(23,600,650,673)	(21,572,931,608)	(17,471,565,485)	(12,079,749,332)	(9,570,823,948)	(5,141,115,777)	

1) Pursuant to subsection (d) of section 28B888B 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) 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. For the purpose of surtax certification, quarterly periods are defined as July 1 to September 30, inclusive, October 1 to January 31, inclusive, February 1 to April 30, inclusive, and May 1 to June 30, inclusive. DOR estimates that the tax revenues collected from the 4% income tax was \$399,197,522 during the period between July 2024 and September 2024. Please note that this amount is subject to revision in future certification periods as DOR further analyzes tax data.

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.