



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.
November 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 November, 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

November 30, 2024 year-to-date net state tax revenue excluding 4% income surtax revenue:	14,923,561,606
DOR's estimate of full year FY25 total net state tax revenue:	40,693,061,695
DOR's estimate of FY25 allowable net state revenue:	46,033,423,694
DOR's estimate of the amount by which net state tax revenue will be above(below) allowable state tax revenue:	(5,340,361,999)

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
November 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	November 30, 2024 ⁽¹⁾ (Exhibit 1)	\$14,923,561,606
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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)		\$40,693,061,695
Allowable state tax revenue for FY24 (Exhibit 3)		\$44,130,782,381
Estimate of allowable state tax revenue growth factor for FY25 (Exhibit 2)		1.0431137
Estimate of allowable state tax revenue for FY25 (Exhibit 3)		\$46,033,423,694
Estimate of the amount net state tax revenue will be above/(below) allowable state tax revenue for FY25 ⁽²⁾ (Exhibit 4)		<u>(\$5,340,361,999)</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

November 2024 Monthly 62F Report

Type of State Tax Revenue Collected (By Agency)	Fiscal YTD Net State Tax Revenues as of 11/30/2024
Department of Revenue:	
Alcoholic Beverages	44,478,798
Financial Institutions	4,065,776
Cigarettes	142,246,721
Corporations	949,453,887
Deeds	92,281,847
Estate and Inheritance	243,816,769
Income	8,745,531,496
Insurance	158,356,104
Motor Fuels and International Fuel Tax Agreement	305,224,214
Public Utilities	0
Room Occupancy	257,616,991
Sales and Use	4,056,642,932
Club Alcoholic Beverages	102,770
Motor Vehicle Excise	84,262
Convention Center Surcharges	10,374,087
Community Preservation Trust	20,009,919
Controlled Substances and Marijuana Excise	67,998,939
Satellite	1,860,688
Statewide Car Rental	3,193,940
Electronic Nicotine Delivery System	6,667,645
Department of Revenue Before the Reduction of 62F Payments	15,110,007,785
Pari-Mutual Taxes	419,267
Gaming Revenue Tax	167,147,756
Lottery Commission:	
Beano	181,666
Raffles and Bazaars	329,231
State Athletic Commission	
Boxing Contests	21,948
Boxer's Fund	3,772
Division of Insurance	
Excess and Surplus Lines Insurance	137,711
Secretary of State:	
Deeds Excise Stamp Tax Fees	36,839,114
Department of Unemployment Assistance:	
Workforce Training Contribution	7,670,879
Other Agencies Sub-Total	212,751,343
Total Net State Tax Revenue Before the Reduction of 62F Payments	15,322,759,128
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	14,923,561,606

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
November 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	\$354,525,007	1.0305076
Estimate of the Sum of 2022 - 2024 calendar year growth increase		3.1293410
Estimate of the allowable state tax growth factor for FY25⁽³⁾		1.0431137

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
November 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	1.0431137
Estimate of allowable state revenue for the FY25	<u>\$46,033,423,694</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.

November 2024 Monthly 62F Report

Fiscal Year-to-Date of Net State Tax Revenues Type of State Tax Revenue Collected (By Agency)	Fiscal YTD Net State Tax Revenues as of	DOR Estimate of Year-to-Date Net State Tax Revenue for the Remainder of Fiscal Year 2025							
		11/30/2024	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Department of Revenue:									
Alcoholic Beverages	44,478,798	53,507,603	62,541,401	67,928,683	74,986,945	83,671,972	90,459,601	99,498,923	
Financial Institutions	4,065,776	7,032,958	7,548,560	7,924,859	13,517,609	16,590,286	16,896,653	20,793,293	
Cigarettes	142,246,721	171,389,464	200,451,781	223,399,095	246,228,401	273,551,753	300,384,531	328,230,323	
Corporations	949,453,887	1,543,723,868	1,646,989,101	1,722,354,509	2,842,475,682	3,457,874,107	3,519,233,580	4,299,656,278	
Deeds	92,281,847	111,407,317	133,390,140	146,935,211	159,822,959	177,299,101	197,433,108	238,553,685	
Estate and Inheritance	243,816,769	285,337,787	323,390,617	352,041,941	399,050,308	443,732,396	488,844,563	538,774,040	
Income	8,745,531,496	11,177,862,914	13,713,448,858	14,735,363,945	16,739,668,315	20,846,189,136	22,273,655,115	24,895,804,586	
Insurance	158,356,104	229,207,434	241,519,143	250,504,520	384,050,009	457,420,360	464,735,891	557,781,120	
Motor Fuels and International Fuel Tax Agreement	305,224,214	366,976,005	427,902,814	486,564,735	542,199,291	602,128,100	662,186,840	727,558,868	
Public Utilities	0	19,798	23,238	25,749	63,064	83,566	85,610	111,609	
Room Occupancy	257,616,991	270,828,597	274,593,076	292,091,140	320,879,701	354,158,094	393,102,076	394,631,028	
Sales and Use	4,056,642,932	4,948,303,806	5,904,296,870	6,624,962,815	7,370,221,771	8,235,068,252	9,078,149,401	9,959,255,971	
Club Alcoholic Beverages	102,770	168,054	234,879	295,552	353,071	431,780	485,073	575,701	
Motor Vehicle Excise	84,262	136,105	189,171	237,353	283,029	345,533	387,855	459,824	
Convention Center Surcharges	10,374,087	10,911,890	11,449,693	11,987,496	12,525,299	13,063,102	13,600,905	14,138,708	
Community Preservation Trust	20,009,919	24,171,387	28,967,597	32,069,412	34,839,482	38,604,381	42,926,443	52,574,431	
Controlled Substances and Marijuana Excise	67,998,939	81,233,435	94,819,835	107,094,687	118,767,148	134,680,936	145,473,274	163,849,064	
Satellite	1,860,688	2,217,795	2,583,326	2,915,211	3,229,842	3,660,382	3,951,899	4,447,639	
Statewide Car Rental	3,193,940	4,241,768	5,299,251	6,318,176	7,317,326	8,449,310	9,421,973	10,628,674	
Electronic Nicotine Delivery System	6,667,645	8,264,696	9,899,421	11,383,678	12,790,765	14,716,226	16,019,948	18,236,991	
Department of Revenue Before the Reduction of 62F Payments	15,110,007,785	19,296,942,683	23,089,538,771	25,082,398,767	29,283,270,018	35,161,718,773	37,717,434,338	42,325,560,757	
Massachusetts Gaming Commission:									
Pari-Mutuel Taxes	419,267	510,568	601,870	693,171	784,472	875,774	967,075	1,058,376	
Gaming Revenue Tax	167,147,756	214,749,534	262,351,312	309,953,090	357,554,868	405,156,646	452,758,424	500,360,202	
Lottery Commission:									
Beano	181,666	214,556	248,223	278,790	307,768	347,422	374,272	419,931	
Raffles and Bazaars	329,231	451,833	575,939	688,622	796,803	942,981	1,041,958	1,211,629	
State Athletic Commission									
Boxing Contests	21,948	72,384	122,820	173,256	223,692	274,128	324,564	375,000	
Boxer's Fund	3,772	13,947	24,123	34,298	44,474	54,649	64,825	75,000	
Division of Insurance									
Excess and Surplus Lines Insurance	137,711	2,836,367	2,898,096	76,395,116	82,617,449	83,162,814	83,342,549	83,669,550	
Secretary of State:									
Deeds Excise Stamp Tax Fees	36,839,114	44,566,964	53,533,352	60,003,819	64,990,914	71,809,088	79,564,692	100,701,109	
Department of Unemployment Assistance:									
Workforce Training Contribution	7,670,879	7,906,581	8,438,663	10,217,268	10,392,620	11,872,066	26,509,426	26,782,325	
Other Agencies Sub-Total	212,751,343	271,322,734	328,794,397	458,437,431	517,713,059	574,495,569	644,947,784	714,653,123	
Total Net State Tax Revenue Before the Reduction of 62F Payments	15,322,759,128	19,568,265,417	23,418,333,169	25,540,836,198	29,800,983,077	35,736,214,341	38,362,382,122	43,040,213,880	
Less:									
Estimate of 4% Income Surtax Revenues ⁽¹⁾⁽²⁾	(399,197,522)	(833,919,363)	(1,058,962,484)	(1,143,290,567)	(1,250,193,141)	(1,988,847,819)	(2,087,760,662)	(2,347,152,185)	
Total Net State Tax Revenue Less the Estimate of 4% Income Surtax Revenue	14,923,561,606	18,734,346,053	22,359,370,685	24,397,545,631	28,550,789,936	33,747,366,522	36,274,621,460	40,693,061,695	
Estimate of Allowable State Tax Revenues for the Fiscal Year Ended June 30, 2024	46,033,423,694	46,033,423,694	46,033,423,694	46,033,423,694	46,033,423,694	46,033,423,694	46,033,423,694	46,033,423,694	
Net State Tax Revenues above/(below) of Allowable State Tax Revenues ⁽³⁾	(31,109,862,088)	(27,299,077,640)	(23,674,053,009)	(21,635,878,063)	(17,482,633,758)	(12,286,057,172)	(9,758,802,234)	(5,340,361,999)	

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.

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.