



**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.
December 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 December, 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

December 31, 2024 year-to-date net state tax revenue excluding 4% income surtax revenue:	19,334,869,524
DOR's estimate of full year FY25 total net state tax revenue:	40,872,752,845
DOR's estimate of FY25 allowable net state revenue:	46,003,119,086
DOR's estimate of the amount by which net state tax revenue will be above(below) allowable state tax revenue:	(5,130,366,241)

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
December 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	December 31, 2024 ⁽¹⁾ (Exhibit 1)	\$19,334,869,524
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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)		\$40,872,752,845
Allowable state tax revenue for FY24 (Exhibit 3)		\$44,130,782,381
Estimate of allowable state tax revenue growth factor for FY25 (Exhibit 2)		1.0424270
Estimate of allowable state tax revenue for FY25 (Exhibit 3)		\$46,003,119,086
Estimate of the amount net state tax revenue will be above/(below) allowable state tax revenue for FY25 ⁽²⁾ (Exhibit 4)		<u>(\$5,130,366,241)</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

December 2024 Monthly 62F Report

Type of State Tax Revenue Collected (By Agency)	Fiscal YTD Net State Tax Revenues as of 12/31/2024
Department of Revenue:	
Alcoholic Beverages	51,847,769
Financial Institutions	7,099,366
Cigarettes	170,191,168
Corporations	1,553,746,384
Deeds	110,759,218
Estate and Inheritance	427,360,053
Income	11,240,339,704
Insurance	219,858,542
Motor Fuels and International Fuel Tax Agreement	363,352,285
Public Utilities	0
Room Occupancy	274,729,332
Sales and Use	4,925,724,034
Club Alcoholic Beverages	113,822
Motor Vehicle Excise	98,043
Convention Center Surcharges	10,377,279
Community Preservation Trust	23,241,136
Controlled Substances and Marijuana Excise	84,997,289
Satellite	2,232,540
Statewide Car Rental	3,194,895
Electronic Nicotine Delivery System	7,467,917
Department of Revenue Before the Reduction of 62F Payments	19,476,730,774
Pari-Mutual Taxes	526,906
Gaming Revenue Tax	203,272,799
Lottery Commission:	
Beano	221,436
Raffles and Bazaars	417,759
State Athletic Commission	
Boxing Contests	31,419
Boxer's Fund	6,355
Division of Insurance	
Excess and Surplus Lines Insurance	267,604
Secretary of State:	
Deeds Excise Stamp Tax Fees	44,758,779
Department of Unemployment Assistance:	
Workforce Training Contribution	7,833,215
Other Agencies Sub-Total	257,336,273
Total Net State Tax Revenue Before the Reduction of 62F Payments	19,734,067,047
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	19,334,869,524

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
December 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	\$353,816,344	1.0284477
Estimate of the Sum of 2022 - 2024 calendar year growth increase		3.1272811
Estimate of the allowable state tax growth factor for FY25⁽³⁾		1.0424270

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
December 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	1.0424270
Estimate of allowable state revenue for the FY25	<u>\$46,003,119,086</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.

December 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						
		12/31/2024	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Department of Revenue:								
Alcoholic Beverages	51,847,769	60,881,567	66,268,849	73,327,111	82,012,139	88,799,767	97,839,089	
Financial Institutions	7,099,366	7,614,968	7,991,267	13,584,017	16,656,693	16,963,061	20,859,701	
Cigarettes	170,191,168	199,301,433	222,286,606	245,153,576	272,522,007	299,399,055	327,290,788	
Corporations	1,553,746,384	1,657,011,616	1,732,377,025	2,852,498,198	3,467,896,623	3,529,256,096	4,309,678,794	
Deeds	110,759,218	132,742,040	146,287,112	159,174,860	176,651,002	196,785,008	237,905,585	
Estate and Inheritance	427,360,053	465,412,882	494,064,207	541,072,574	585,754,662	630,866,829	680,796,306	
Income	11,240,339,704	13,775,618,896	14,797,410,352	16,801,472,244	20,907,496,262	22,334,789,547	24,956,621,793	
Insurance	219,858,542	232,170,251	241,155,627	374,701,117	448,071,468	455,386,998	548,432,227	
Motor Fuels and International Fuel Tax Agreement	363,352,285	424,279,094	482,941,014	538,575,571	598,504,380	658,563,120	723,935,148	
Public Utilities	0	3,440	5,951	43,267	63,768	65,813	91,812	
Room Occupancy	274,729,332	278,636,323	296,796,815	326,675,230	361,213,448	401,631,739	403,218,574	
Sales and Use	4,925,724,034	5,881,757,273	6,602,453,503	7,347,743,776	8,212,626,602	9,055,743,180	9,936,886,778	
Club Alcoholic Beverages	113,822	180,646	241,319	298,838	377,547	430,840	521,468	
Motor Vehicle Excise	98,043	151,109	199,291	244,968	307,472	349,793	421,762	
Convention Center Surcharges	10,377,279	11,004,184	11,631,088	12,257,993	12,884,898	13,511,803	14,138,708	
Community Preservation Trust	23,241,136	27,866,291	30,857,480	33,528,757	37,159,382	41,327,300	50,631,196	
Controlled Substances and Marijuana Excise	84,997,289	98,583,689	110,858,541	122,531,002	138,444,790	149,237,127	167,612,918	
Satellite	2,232,540	2,598,071	2,929,956	3,244,587	3,675,127	3,966,644	4,462,384	
Statewide Car Rental	3,194,895	4,146,106	5,058,760	5,951,638	6,977,350	7,843,742	8,944,172	
Electronic Nicotine Delivery System	7,467,917	9,102,641	10,586,899	11,993,985	13,919,446	15,223,168	17,440,211	
Department of Revenue Before the Reduction of 62F Payments	19,476,730,774	23,269,062,520	25,262,401,662	29,464,073,307	35,343,215,065	37,900,140,631	42,507,729,414	
Massachusetts Gaming Commission:								
Pari-Mutuel Taxes	526,906	615,484	704,063	792,641	881,220	969,798	1,058,376	
Gaming Revenue Tax	203,272,799	252,787,366	302,301,933	351,816,500	401,331,067	450,845,634	500,360,202	
Lottery Commission:								
Beano	221,436	255,103	285,670	314,649	354,303	381,152	426,811	
Raffles and Bazaars	417,759	541,865	654,548	762,728	908,907	1,007,884	1,177,555	
State Athletic Commission								
Boxing Contests	31,419	88,683	145,946	203,210	260,473	317,737	375,000	
Boxer's Fund	6,355	17,796	29,237	40,678	52,118	63,559	75,000	
Division of Insurance								
Excess and Surplus Lines Insurance	267,604	329,333	73,826,353	80,048,686	80,594,051	80,773,786	81,100,787	
Secretary of State:								
Deeds Excise Stamp Tax Fees	44,758,779	53,725,168	60,195,635	65,182,729	72,000,904	79,756,508	100,892,925	
Department of Unemployment Assistance:								
Workforce Training Contribution	7,833,215	8,365,297	10,143,902	10,319,255	11,798,701	26,436,060	26,708,960	
Other Agencies Sub-Total	257,336,273	316,726,095	448,287,288	509,481,075	568,181,744	640,552,118	712,175,616	
Total Net State Tax Revenue Before the Reduction of 62F Payments	19,734,067,047	23,585,788,615	25,710,688,951	29,973,554,383	35,911,396,809	38,540,692,749	43,219,905,030	
Less:								
Estimate of 4% Income Surtax Revenues ⁽¹⁾⁽²⁾	(399,197,522)	(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	19,334,869,524	22,526,826,131	24,567,398,383	28,723,361,242	33,922,548,990	36,452,932,087	40,872,752,845	
Estimate of Allowable State Tax Revenues for the Fiscal Year Ended June 30, 2024	46,003,119,086	46,003,119,086	46,003,119,086	46,003,119,086	46,003,119,086	46,003,119,086	46,003,119,086	
Net State Tax Revenues above/(below) of Allowable State Tax Revenues ⁽⁴⁾	(26,668,249,561)	(23,476,292,955)	(21,435,720,702)	(17,279,757,843)	(12,080,570,096)	(9,550,186,998)	(5,130,366,241)	

1) Pursuant to subsection (d) of section 2BBB 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.