



**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.
March 2025 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 James B. Eldridge, Chair
Joint Committee on Revenue
State House, Room 511-C
Boston, MA 02133

The Honorable Adrian C. Madaro, Chair
Joint Committee on Revenue
State House, Room 33
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 Eldridge, Madaro, 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 March, 2025 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

March 31, 2025	year-to-date net state tax revenue excluding 4% income surtax revenue:	29,310,109,829
	DOR's estimate of full year FY25 total net state tax revenue:	41,276,009,279
	DOR's estimate of FY25 allowable net state revenue:	46,384,735,613
	DOR's estimate of the amount by which net state tax revenue will be above(below) allowable state tax revenue:	(5,108,726,334)

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
Laura Taronas, 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
March 2025 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	March 31, 2025 ⁽¹⁾ (Exhibit 1)	\$29,310,109,829
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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)		\$41,276,009,279
Allowable state tax revenue for FY24 (Exhibit 3)		\$44,130,782,381
Estimate of allowable state tax revenue growth factor for FY25 (Exhibit 2)		1.0510744
Estimate of allowable state tax revenue for FY25 (Exhibit 3)		\$46,384,735,613
Estimate of the amount net state tax revenue will be above/(below) allowable state tax revenue for FY25 ⁽²⁾ (Exhibit 4)		<u>(\$5,108,726,334)</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

March 2025 Monthly 62F Report

Type of State Tax Revenue Collected (By Agency)	Fiscal YTD Net State Tax Revenues as of 3/31/2025
Department of Revenue:	
Alcoholic Beverages	72,381,131
Financial Institutions	12,331,500
Cigarettes	235,872,318
Corporations	2,723,288,804
Deeds	160,029,642
Estate and Inheritance	543,440,192
Income	17,341,165,125
Insurance	469,074,108
Motor Fuels and International Fuel Tax Agreement	529,577,626
Public Utilities	0
Room Occupancy	330,156,095
Sales and Use	7,222,831,802
Club Alcoholic Beverages	505,637
Motor Vehicle Excise	615,458
Convention Center Surcharges	14,250,414
Community Preservation Trust	35,042,619
Controlled Substances and Marijuana Excise	128,416,673
Satellite	3,257,688
Statewide Car Rental	4,599,277
Electronic Nicotine Delivery System	10,064,488
Department of Revenue Before the Reduction of 62F Payments	29,836,900,598
Pari-Mutual Taxes	726,499
Gaming Revenue Tax	347,862,974
Lottery Commission:	
Beano	336,295
Raffles and Bazaars	735,471
State Athletic Commission	
Boxing Contests	50,896
Boxer's Fund	11,217
Division of Insurance	
Excess and Surplus Lines Insurance	118,006,051
Secretary of State:	
Deeds Excise Stamp Tax Fees	65,648,650
Department of Unemployment Assistance:	
Workforce Training Contribution	10,391,371
Other Agencies Sub-Total	543,769,423
Total Net State Tax Revenue Before the Reduction of 62F Payments	30,380,670,021
Less:	
Estimate of 4% Income Surtax Revenues ^{(1) (2)}	(1,070,560,192)
Total Net State Tax Revenue Less the Estimate of 4% Income Surtax Revenue	29,310,109,829

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 \$1,070,560,192 during the period between July 2024 and January 2025. 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
March 2025 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 Actual	\$362,741,160	1.0543897
Estimate of the Sum of 2022 - 2024 calendar year growth increase		3.1532231
Estimate of the allowable state tax growth factor for FY25⁽³⁾		1.0510744

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
March 2025 Monthly 62F Report

Allowable state tax revenue for the FY24 ⁽¹⁾	\$44,130,782,381
Allowable state tax growth factor for FY25	1.0510744
Allowable state tax revenue for FY25	<u>\$46,384,735,613</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

March 2025 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			
		3/31/2025	Apr-25	May-25	Jun-25
Department of Revenue:					
Alcoholic Beverages	72,381,131	81,160,276	88,021,460	97,158,737	
Financial Institutions	12,331,500	15,437,473	15,747,160	19,686,027	
Cigarettes	235,872,318	263,546,914	290,724,631	318,928,384	
Corporations	2,723,288,804	3,345,356,080	3,407,380,484	4,196,260,341	
Deeds	160,029,642	177,695,167	198,047,359	239,613,544	
Estate and Inheritance	543,440,192	588,606,484	634,207,516	684,678,061	
Income	17,341,165,125	21,493,587,404	22,937,009,169	25,588,468,240	
Insurance	469,074,108	543,239,547	550,634,354	644,687,880	
Motor Fuels and International Fuel Tax Agreement	529,577,626	590,155,862	650,865,437	716,945,878	
Public Utilities	0	20,724	22,790	49,071	
Room Occupancy	330,156,095	365,672,522	407,235,559	408,867,336	
Sales and Use	7,222,831,802	8,097,010,552	8,949,189,106	9,839,803,401	
Club Alcoholic Beverages	505,637	585,199	639,070	730,680	
Motor Vehicle Excise	615,458	678,640	721,419	794,169	
Convention Center Surcharges	14,250,414	14,213,179	14,175,943	14,138,708	
Community Preservation Trust	35,042,619	38,844,371	43,208,862	52,945,126	
Controlled Substances and Marijuana Excise	128,416,673	144,502,913	155,412,203	173,987,125	
Satellite	3,257,688	3,692,894	3,987,571	4,488,683	
Statewide Car Rental	4,599,277	5,608,941	6,457,557	7,542,749	
Electronic Nicotine Delivery System	10,064,488	12,010,814	13,328,664	15,569,732	
Department of Revenue Before the Reduction of 62F Payments	29,836,900,598	35,781,625,955	38,367,016,312	43,025,343,873	
Massachusetts Gaming Commission:					
Pari-Mutuel Taxes	726,499	837,125	947,750	1,058,376	
Gaming Revenue Tax	347,862,974	398,695,383	449,527,792	500,360,202	
Lottery Commission:					
Beano	336,295	375,949	402,799	448,457	
Raffles and Bazaars	735,471	881,649	980,626	1,150,298	
State Athletic Commission					
Boxing Contests	50,896	158,930	266,965	375,000	
Boxer's Fund	11,217	32,478	53,739	75,000	
Division of Insurance					
Excess and Surplus Lines Insurance	118,006,051	118,551,416	118,731,151	119,058,152	
Secretary of State:					
Deeds Excise Stamp Tax Fees	65,648,650	72,466,825	80,222,428	101,358,846	
Department of Unemployment Assistance:					
Workforce Training Contribution	10,391,371	11,870,817	26,508,177	26,781,076	
Other Agencies Sub-Total	543,769,423	603,870,573	677,641,428	750,665,407	
Total Net State Tax Revenue Before the Reduction of 62F Payments	30,380,670,021	36,385,496,527	39,044,657,741	43,776,009,279	
Less:					
Estimate of 4% Income Surtax Revenues ^{(1) (2)}	(1,070,560,192)	(2,102,407,531)	(2,212,166,175)	(2,500,000,000)	
Total Net State Tax Revenue Less the Estimate of 4% Income Surtax Revenue	29,310,109,829	34,283,088,996	36,832,491,565	41,276,009,279	
Estimate of Allowable State Tax Revenues for the Fiscal Year Ended June 30, 2024	46,384,735,613	46,384,735,613	46,384,735,613	46,384,735,613	
Net State Tax Revenues above/(below) of Allowable State Tax Revenues ⁽⁴⁾	(17,074,625,784)	(12,101,646,617)	(9,552,244,048)	(5,108,726,334)	

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

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

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.