



**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.
January 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 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 January, 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

January 31, 2025	year-to-date net state tax revenue excluding 4% income surtax revenue:	22,938,106,911
DOR's estimate of full year FY25 total net state tax revenue:		41,339,691,415
DOR's estimate of FY25 allowable net state revenue:		45,955,400,471
DOR's estimate of the amount by which net state tax revenue will be above(below) allowable state tax revenue:		(4,615,709,056)

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
January 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	January 31, 2025 ⁽¹⁾ (Exhibit 1)	\$22,938,106,911
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)		\$41,339,691,415
Allowable state tax revenue for FY24 (Exhibit 3)		\$44,130,782,381
Estimate of allowable state tax revenue growth factor for FY25 (Exhibit 2)		1.0413457
Estimate of allowable state tax revenue for FY25 (Exhibit 3)		\$45,955,400,471
Estimate of the amount net state tax revenue will be above/(below) allowable state tax revenue for FY25 ⁽²⁾ (Exhibit 4)		(\$4,615,709,056)

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

January 2025 Monthly 62F Report

Type of State Tax Revenue Collected (By Agency)	Fiscal YTD Net State Tax Revenues as of 1/31/2025
Department of Revenue:	
Alcoholic Beverages	61,126,255
Financial Institutions	6,824,922
Cigarettes	195,727,486
Corporations	1,651,763,047
Deeds	133,793,650
Estate and Inheritance	455,534,297
Income	14,147,005,072
Insurance	215,952,270
Motor Fuels and International Fuel Tax Agreement	423,269,442
Public Utilities	0
Room Occupancy	286,387,751
Sales and Use	5,862,067,543
Club Alcoholic Beverages	317,340
Motor Vehicle Excise	175,898
Convention Center Surcharges	14,230,518
Community Preservation Trust	27,161,469
Controlled Substances and Marijuana Excise	99,956,423
Satellite	2,599,697
Statewide Car Rental	4,586,740
Electronic Nicotine Delivery System	8,346,177
Department of Revenue Before the Reduction of 62F Payments	23,596,825,998
Pari-Mutual Taxes	649,220
Gaming Revenue Tax	262,842,538
Lottery Commission:	
Beano	262,844
Raffles and Bazaars	560,728
State Athletic Commission	
Boxing Contests	45,720
Boxer's Fund	9,923
Division of Insurance	
Excess and Surplus Lines Insurance	85,207,630
Secretary of State:	
Deeds Excise Stamp Tax Fees	53,740,335
Department of Unemployment Assistance:	
Workforce Training Contribution	8,522,169
Other Agencies Sub-Total	411,841,105
Total Net State Tax Revenue Before the Reduction of 62F Payments	24,008,667,103
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	22,938,106,911

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
January 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 Estimate	\$352,700,255	1.0252036
Estimate of the Sum of 2022 - 2024 calendar year growth increase		3.1240370
Estimate of the allowable state tax growth factor for FY25⁽³⁾		1.0413457

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
January 2025 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	1.0413457
Estimate of allowable state revenue for the FY25	<u>\$45,955,400,471</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.

January 2025 Monthly 62F Report

Fiscal Year-to-Date of Net State Tax Revenues		DOR Estimate of Year-to-Date Net State Tax Revenue for the Remainder of Fiscal Year 2025				
Type of State Tax Revenue Collected (By Agency)	Fiscal YTD Net State Tax Revenues as of					
	1/31/2025	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Department of Revenue:						
Alcoholic Beverages	61,126,255	66,571,918	73,706,667	82,485,811	89,346,995	98,484,273
Financial Institutions	6,824,922	7,205,299	12,858,656	15,964,629	16,274,317	20,213,183
Cigarettes	195,727,486	218,907,043	241,967,397	269,567,281	296,671,626	324,799,237
Corporations	1,651,763,047	1,727,945,163	2,860,204,685	3,482,271,961	3,544,296,364	4,333,176,222
Deeds	133,793,650	147,485,504	160,512,913	178,178,437	198,530,629	240,096,814
Estate and Inheritance	455,534,297	484,496,105	532,013,885	577,180,177	622,781,208	673,251,753
Income	14,147,005,072	15,179,816,185	17,205,491,167	21,355,797,187	22,798,483,321	25,448,591,090
Insurance	215,952,270	225,035,018	360,027,691	434,193,131	441,587,937	535,641,464
Motor Fuels and International Fuel Tax Agreement	423,269,442	482,567,061	538,804,509	599,382,745	660,092,320	726,172,761
Public Utilities	0	2,538	40,258	60,982	63,048	89,329
Room Occupancy	286,387,751	305,208,476	336,173,133	371,967,005	413,854,722	415,499,246
Sales and Use	5,862,067,543	6,590,507,776	7,343,806,320	8,217,982,459	9,070,158,467	9,960,770,102
Club Alcoholic Beverages	317,340	378,671	436,813	516,375	570,246	661,856
Motor Vehicle Excise	175,898	224,602	270,774	333,955	376,735	449,484
Convention Center Surcharges	14,230,518	14,212,156	14,193,794	14,175,432	14,157,070	14,138,708
Community Preservation Trust	27,161,469	30,081,677	32,690,806	36,236,901	40,307,891	49,389,417
Controlled Substances and Marijuana Excise	99,956,423	112,364,293	124,163,244	140,249,484	151,158,775	169,733,697
Satellite	2,599,697	2,935,180	3,253,219	3,688,426	3,983,102	4,484,214
Statewide Car Rental	4,586,740	5,626,305	6,645,882	7,799,731	8,792,533	10,021,910
Electronic Nicotine Delivery System	8,346,177	9,846,519	11,268,854	13,215,180	14,533,030	16,774,099
Department of Revenue Before the Reduction of 62F Payments	23,596,825,998	25,611,417,488	29,858,530,669	35,801,247,288	38,386,020,335	43,042,438,860
Massachusetts Gaming Commission:						
Pari-Mutuel Taxes	649,220	731,051	812,882	894,714	976,545	1,058,376
Gaming Revenue Tax	262,842,538	310,346,070	357,849,603	405,353,136	452,856,669	500,360,202
Lottery Commission:						
Beano	262,844	293,411	322,389	362,043	388,893	434,552
Raffles and Bazaars	560,728	673,411	781,591	927,770	1,026,747	1,196,418
State Athletic Commission						
Boxing Contests	45,720	111,576	177,432	243,288	309,144	375,000
Boxer's Fund	9,923	22,938	35,954	48,969	61,985	75,000
Division of Insurance						
Excess and Surplus Lines Insurance	85,207,630	158,704,649	164,926,982	165,472,347	165,652,083	165,979,083
Secretary of State:						
Deeds Excise Stamp Tax Fees	53,740,335	60,210,802	65,197,896	72,016,071	79,771,674	100,908,092
Department of Unemployment Assistance:						
Workforce Training Contribution	8,522,169	10,300,774	10,476,126	11,955,573	26,592,932	26,865,832
Other Agencies Sub-Total	411,841,105	541,394,683	600,580,857	657,273,911	727,636,671	797,252,555
Total Net State Tax Revenue Before the Reduction of 62F Payments	24,008,667,103	26,152,812,172	30,459,111,525	36,458,521,199	39,113,657,006	43,839,691,415
Less:						
Estimate of 4% Income Surtax Revenues ^{(1) (2)}	(1,070,560,192)	(1,164,134,856)	(1,282,759,306)	(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	22,938,106,911	24,988,677,316	29,176,352,219	34,356,113,668	36,901,490,831	41,339,691,415
Estimate of Allowable State Tax Revenues for the Fiscal Year Ended June 30, 2024	45,955,400,471	45,955,400,471	45,955,400,471	45,955,400,471	45,955,400,471	45,955,400,471
Net State Tax Revenues above/(below) of Allowable State Tax Revenues ⁽⁴⁾	(23,017,293,560)	(20,966,723,155)	(16,779,048,251)	(11,599,286,803)	(9,053,909,640)	(4,615,709,056)

- 1) Pursuant to subsection (d) of section 2B BBBB 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.
- 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.