



The Department of Revenue (DOR) Report on the Determination of Whether  
Net State Tax Revenues Exceeded Allowable State Tax Revenues  
For the period of July 1, 2024 through June 30, 2025

The Honorable Diana DiZoglio  
Auditor of the Commonwealth  
State House- Room 229  
Boston, MA 01333

August 29, 2025

Dear Auditor DiZoglio:

Chapter 62F of the Massachusetts General Laws (added by St. 1986, c.555, s.2) imposes a limitation on the growth of state tax revenues. The law requires that the Department of Revenue submit a report to the State Auditor on the net state tax revenues and the allowable state tax revenues for each fiscal year.

This report is submitted for your review. The calculations, as well as the methodology behind the calculations, are provided to enable you to certify their accuracy and to independently determine whether the FY25 net state tax revenues exceed allowable state tax revenues.

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. The Department of Revenue shall estimate on or before September 1, for the preceding fiscal year, the amount of revenue to exclude from the chapter 62F calculation and shall include that estimate in the report submitted to the State Auditor pursuant to subsection (a) of section 5 of said chapter 62F; provided that this estimate shall be final. The Department of Revenue estimates that FY25 net state tax revenues include \$2,987,020,296 in tax revenue collected from the 4% income surtax.

As you will see in the report, total FY25 net state tax revenues excluding 4% income surtax revenue totaled \$41,681,702,279 which is below FY25 allowable state tax revenue of \$46,384,735,613 by \$4,703,033,334.

<b>FY25 Net state tax revenues</b>	
FY25 net state tax revenues collected by DOR	43,940,132,759
FY25 net non- DOR collected revenues certified by CTR	728,589,816
<b>Total FY25 net state tax revenue</b>	<b>44,668,722,576</b>
Less estimate of 4% income surtax revenues	(2,987,020,296)
<b>Total FY25 net state tax revenues, less 4% income surtax revenue</b>	<b>\$41,681,702,279</b>

Sincerely,

Timothy Rooney  
Chief Financial Officer

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  
Matt Murphy, Chief of External Affairs, 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 Report on Fiscal Year 2025 Net State Tax Revenue and Allowable State Tax Revenue as Defined by Chapter 62F 9/1/2025

<b>Net State Tax Revenue for Fiscal Year 2025, less 4% income surtax revenue<sup>(1)</sup> (Exhibit 1)</b>	<b>\$41,681,702,279</b>
Allowable State Tax Revenue for Fiscal Year 2024 (Exhibit 3)	\$44,130,782,381
Allowable State Tax Revenue Growth Factor for Fiscal Year 2025 (Exhibit 2)	1.0510744
<b>Allowable State Tax Revenue for Fiscal Year 2025 (Exhibit 3)</b>	<b>\$46,384,735,613</b>
<b>Amount Net State Tax Revenues are Under Allowable State Tax Revenues for the Fiscal Year Ended June 30, 2025<sup>(2)</sup> (Exhibit 4)</b>	<b><u><u><u>-\$4,703,033,334</u></u></u></b>

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 will make the determination of whether net state tax revenue exceeds allowable state tax revenue on or before the third Tuesday of the month of September, which falls on September 16th in 2025.

## Exhibit 1

### DOR Report of Net State Tax Revenues for the Fiscal Year Ended June 30, 2025

9/1/2025

Type of State Tax Revenue Collected (By Agency)	Net State Tax Revenues
<b>Department of Revenue:</b>	
Alcoholic Beverages	96,139,493
Financial Institutions	19,948,574
Cigarettes	312,509,894
Corporations	4,036,624,036
Deeds	231,929,870
Estate and Inheritance	740,358,648
Income	26,759,776,432
Insurance	613,267,505
Motor Fuels and International Fuel Tax Agreement	706,664,876
Public Utilities	0
Room Occupancy	428,307,775
Sales and Use	9,719,092,734
Club Alcoholic Beverages	901,932
Motor Vehicle Excise	685,091
Convention Center Surcharges	16,641,499
Community Preservation Trust	49,151,826
Controlled Substances and Marijuana Excise	183,268,728
Satellite	4,308,779
Statewide Car Rental	5,697,101
Electronic Nicotine Delivery System	14,857,968
<b>Department of Revenue Sub-Total</b>	<b>43,940,132,759</b>
<b>Massachusetts Gaming Commission:</b>	
Pari-Mutuel Taxes	941,404
Gaming Revenue Tax	478,869,474
<b>Lottery Commission:</b>	
Beano	469,321
Raffles and Bazaars	920,902
<b>State Athletic Commission</b>	
Boxing Contests	86,560
Boxer's Fund	20,303
<b>Division of Insurance</b>	
Excess and Surplus Lines Insurance	118,314,772
<b>Secretary of State:</b>	
Deeds Excise Stamp Tax Fees	101,979,655
<b>Department of Unemployment Assistance:</b>	
Workforce Training Contribution	26,987,425
<b>Other Agencies Sub-Total</b>	<b>728,589,816</b>
<b>Total Net State Tax Revenue</b>	<b>44,668,722,576</b>
<b>Less:</b>	
Estimate of 4% Income Surtax Revenues <sup>(1) (2)</sup>	(2,987,020,296)
<b>Total Net State Tax Revenue Less the Estimate of 4% Income Surtax Revenue</b>	<b>41,681,702,279</b>

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. Based on available data, DOR certified that tax revenues estimated to have been collected from the additional 4% income tax was \$2,987,020,296 during the period between July 1, 2024 and June 30, 2025. Please note that this amount is subject to revision in future certification periods as DOR further analyzes tax data.

## Exhibit 2

### DOR Calculation of Allowable State Tax Growth Factor for the Fiscal Year Ended June 30, 2025

9/1/2025

Calendar Year	Massachusetts Wages and Salaries <sup>(1)</sup> (in Thousands)	Wages and Salaries Yearly Growth Rate <sup>(2)</sup>
2021	\$312,471,740	
2022	\$333,155,998	1.0661956
2023	\$344,029,483	1.0326378
2024	\$362,741,160	1.0543897
<b>Sum of 2022 - 2024 Calendar Year Growth Increase</b>		<b>3.1532231</b>
<b>Allowable State Tax Growth Factor for Fiscal Year 2025 (3.1532231/3)</b>		<b>1.0510744</b>

1) Source: US Department of Commerce, Bureau of Economic Analysis, Regional Income Division, Washington, D.C. (pursuant to Section 2 of Chapter 62F).

2) Wage and salary yearly growth rate is calculated by dividing each calendar year's wages and salaries by those of the previous calendar 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 Calculation of Allowable State Tax Revenues for the Fiscal Year Ended June 30, 2025

9/1/2025

Allowable State Tax Revenues for the Fiscal Year Ended June 30, 2024 <sup>(1)</sup>	\$44,130,782,381
Allowable State Tax Growth Factor for the Fiscal Year Ended June 30, 2025	1.0510744
Allowable State Tax Revenues for the Fiscal Year Ended June 30, 2025	<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

### DOR Calculation to Determine Whether Net State Tax Revenues Exceeded Allowable State Tax Revenues for the Fiscal Year Ended June 30, 2025

9/1/2025

Total FY25 net state tax revenue	\$44,668,722,576
Less:	
Period 4 FY25 certified 4% income surtax revenues <sup>(1) (2)</sup>	-\$2,987,020,296
Net State Tax Revenues for the Fiscal Year Ended June 30, 2025, Less the Estimate of 4% Income Surtax Revenues	\$41,681,702,279
Less:	
Allowable State Tax Revenues for the Fiscal Year Ended June 30, 2025	\$46,384,735,613
Net State Tax Revenues (Under) Allowable State Tax Revenues for the Fiscal Year Ended June 30, 2025	<u>(\$4,703,033,334)</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) 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. Based on available data, DOR certified that tax revenues estimated to have been collected from the additional 4% income tax was \$2,987,020,296 during the period between July 1, 2024 and June 30, 2025. Please note that this amount is subject to revision in future certification periods as DOR further analyzes tax data.