



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.
July 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 July, 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 FY26 full fiscal year net state tax revenue and FY26 allowable state tax revenue, the Department currently projects FY26 full fiscal year net state tax revenue will not exceed FY26 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

July 31, 2025	year-to-date net state tax revenue excluding 4% income surtax revenue:	2,692,201,984
	DOR's estimate of full year FY26 total net state tax revenue:	41,950,290,464
	DOR's estimate of FY26 allowable net state revenue:	48,126,236,596
	DOR's estimate of the amount by which net state tax revenue will be above(below) allowable state tax revenue:	(6,175,946,132)

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 2026 Net State Tax Revenue and Allowable State Tax Revenue as Defined by Chapter 62F July 2025 Monthly 62F Report

Year-to-Date Net State Tax Revenue

Year-to-date net state tax revenue for FY26, less 4% income surtax revenue as of	July 31, 2025 ⁽¹⁾ <i>(Exhibit 1)</i>	\$2,692,201,984
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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 FY26, less 4% income surtax revenue ⁽¹⁾ <i>(Exhibit 4)</i>		\$41,950,290,464
Allowable state tax revenue for FY25 <i>(Exhibit 3)</i>		\$46,384,735,613
Estimate of allowable state tax revenue growth factor for FY26 <i>(Exhibit 2)</i>		1.0375447
Estimate of allowable state tax revenue for FY26 <i>(Exhibit 3)</i>		\$48,126,236,596
Estimate of the amount net state tax revenue will be above/(below) allowable state tax revenue for FY26 ⁽²⁾ <i>(Exhibit 4)</i>		<u><u>(\$6,175,946,132)</u></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

July 2025 Monthly 62F Report

Type of State Tax Revenue Collected (By Agency)	Fiscal YTD Net State Tax Revenues as of 7/31/2025
Department of Revenue:	
Alcoholic Beverages	10,526,418
Financial Institutions	353,338
Cigarettes	31,031,012
Corporations	101,839,391
Deeds	11,509,864
Estate and Inheritance	47,223,871
Income	1,535,512,469
Insurance	-9,303,454
Motor Fuels and International Fuel Tax Agreement	59,963,636
Public Utilities	0
Room Occupancy	82,970,856
Sales and Use	834,494,732
Club Alcoholic Beverages	21,403
Motor Vehicle Excise	5,265
Convention Center Surcharges	4,347,297
Community Preservation Trust	1,045,125
Controlled Substances and Marijuana Excise	7,042,895
Satellite	323,509
Statewide Car Rental	1,458,810
Electronic Nicotine Delivery System	808,417
Department of Revenue Before the Reduction of 62F Payments	2,721,174,856
Pari-Mutual Taxes	15,800
Gaming Revenue Tax	24,204,016
Lottery Commission:	
Beano	24,891
Raffles and Bazaars	42,705
State Athletic Commission	
Boxing Contests	1,268
Boxer's Fund	317
Division of Insurance	
Excess and Surplus Lines Insurance	1,339
Secretary of State:	
Deeds Excise Stamp Tax Fees	0
Department of Unemployment Assistance:	
Workforce Training Contribution	1,425,141
Other Agencies Sub-Total	25,715,477
Total Net State Tax Revenue Before the Reduction of 62F Payments	2,746,890,333
Less:	
Estimate of 4% Income Surtax Revenues ^{(1) (2)}	(54,688,350)
Total Net State Tax Revenue Less the Estimate of 4% Income Surtax Revenue	2,692,201,984

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 \$54,688,350 for the month of July 2025. This is not a certified estimate and 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, 2026
July 2025 Monthly 62F Report

Calendar Year	Massachusetts Wages and Salaries⁽¹⁾ (in Thousands)	Wages and Salaries Yearly Growth Rate⁽²⁾
2022 Actual	\$333,155,998	
2023 Actual	\$344,029,483	1.0326378
2024 Actual	\$362,741,160	1.0543897
2025 Estimate	\$372,029,728	1.0256066
Estimate of the Sum of 2022 - 2025 calendar year growth increase		3.1126341
Estimate of the allowable state tax growth factor for FY26⁽³⁾		1.0375447

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, 2026
July 2025 Monthly 62F Report

Allowable state tax revenue for the FY25 ⁽¹⁾	\$46,384,735,613
Estimate of allowable state tax growth factor for the FY26	1.0375447
Estimate of allowable state revenue for the FY26	<u>\$48,126,236,596</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.

