



**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 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 December, 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

December 31, 2025 year-to-date net state tax revenue excluding 4% income surtax revenue:	19,605,558,342
DOR's estimate of full year FY26 total net state tax revenue:	41,802,220,732
DOR's estimate of FY26 allowable net state revenue:	48,203,606,335
DOR's estimate of the amount by which net state tax revenue will be above(below) allowable state tax revenue:	(6,401,385,603)

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
December 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	December 31, 2025 ⁽¹⁾ (Exhibit 1)	\$19,605,558,342
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⁾ (Exhibit 4)		\$41,802,220,732
Allowable state tax revenue for FY25 (Exhibit 3)		\$46,384,735,613
Estimate of allowable state tax revenue growth factor for FY26 (Exhibit 2)		1.0392127
Estimate of allowable state tax revenue for FY26 (Exhibit 3)		\$48,203,606,335
Estimate of the amount net state tax revenue will be above/(below) allowable state tax revenue for FY26 ⁽²⁾ (Exhibit 4)		(\$6,401,385,603)

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 2025 Monthly 62F Report

Type of State Tax Revenue Collected (By Agency)	Fiscal YTD Net State Tax Revenues as of 12/31/2025
Department of Revenue:	
Alcoholic Beverages	51,945,085
Financial Institutions	5,177,275
Cigarettes	157,140,798
Corporations	1,282,168,072
Deeds	125,381,015
Estate and Inheritance	396,857,347
Income	11,869,061,697
Insurance	226,400,332
Motor Fuels and International Fuel Tax Agreement	361,177,488
Public Utilities	0
Room Occupancy	273,931,423
Sales and Use	4,938,657,132
Club Alcoholic Beverages	82,097
Motor Vehicle Excise	50,071
Convention Center Surcharges	10,263,960
Community Preservation Trust	21,979,300
Controlled Substances and Marijuana Excise	84,014,488
Satellite	2,064,947
Statewide Car Rental	3,220,454
Electronic Nicotine Delivery System	5,412,200
Department of Revenue Before the Reduction of 62F Payments	19,814,985,180
Pari-Mutual Taxes	117,384
Gaming Revenue Tax	213,889,869
Lottery Commission:	
Beano	229,337
Raffles and Bazaars	440,928
State Athletic Commission	
Boxing Contests	32,346
Boxer's Fund	8,076
Division of Insurance	
Excess and Surplus Lines Insurance	13,893
Secretary of State:	
Deeds Excise Stamp Tax Fees	45,214,587
Department of Unemployment Assistance:	
Workforce Training Contribution	7,931,712
Other Agencies Sub-Total	267,878,132
Total Net State Tax Revenue Before the Reduction of 62F Payments	20,082,863,312
Less:	
Estimate of 4% Income Surtax Revenues ^{(1) (2)}	(477,304,970)
Total Net State Tax Revenue Less the Estimate of 4% Income Surtax Revenue	19,605,558,342

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 \$477,304,970 during the period between July 2025 and September 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, 2026
December 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	\$373,844,885	1.0306106
Estimate of the Sum of 2022 - 2025 calendar year growth increase		3.1176381
Estimate of the allowable state tax growth factor for FY26⁽³⁾		1.0392127

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
December 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	1.0392127
Estimate of allowable state revenue for the FY26	<u>\$48,203,606,335</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 the Current Fiscal Year and if Net State Tax Revenue Will Exceed Allowable State Tax Revenue for the Current Fiscal Year.

December 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 2026					
Type of State Tax Revenue Collected (By Agency)	Fiscal YTD Net State Tax Revenues as of						
	12/31/2025	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Department of Revenue:							
Alcoholic Beverages	51,945,085	62,457,126	68,194,664	74,408,468	82,702,109	90,634,804	99,637,025
Financial Institutions	5,177,275	5,569,331	5,838,800	11,660,697	14,002,912	14,308,817	18,318,536
Cigarettes	157,140,798	188,198,038	210,735,811	232,550,176	263,932,183	290,483,314	318,017,799
Corporations	1,282,168,072	1,288,501,030	1,270,028,486	2,375,098,154	2,772,048,882	2,760,949,301	3,499,321,860
Deeds	125,381,015	153,636,222	172,442,299	183,799,910	203,624,791	225,385,634	266,464,063
Estate and Inheritance	396,857,347	426,542,205	459,976,633	497,853,772	543,784,422	585,338,952	651,413,185
Income	11,869,061,697	14,720,834,503	16,034,566,644	18,113,231,282	23,049,153,515	24,597,590,603	27,251,766,965
Insurance	226,400,332	238,453,059	246,737,188	425,716,415	497,721,778	507,126,051	630,394,510
Motor Fuels and International Fuel Tax Agreement	361,177,488	431,361,794	491,173,462	548,075,402	612,245,528	674,972,910	742,495,916
Public Utilities	0	0	0	0	0	0	0
Room Occupancy	273,931,423	278,845,415	298,655,904	324,591,789	355,430,067	409,092,716	390,209,149
Sales and Use	4,938,657,132	5,966,820,027	6,679,495,859	7,387,075,367	8,274,947,600	9,054,625,982	9,980,157,921
Club Alcoholic Beverages	82,097	154,116	221,434	289,723	374,194	439,543	554,251
Motor Vehicle Excise	50,071	107,263	160,721	214,950	282,030	333,925	425,016
Convention Center Surcharges	10,263,960	11,465,562	12,667,164	13,868,766	15,070,369	16,271,971	17,473,573
Community Preservation Trust	21,979,300	26,973,798	30,358,414	32,557,070	36,237,291	40,103,534	48,380,186
Controlled Substances and Marijuana Excise	84,014,488	98,695,302	112,347,489	126,252,717	143,321,016	156,583,184	179,770,922
Satellite	2,064,947	2,458,896	2,827,126	3,200,672	3,662,732	4,020,193	4,647,649
Statewide Car Rental	3,220,454	4,208,614	5,167,300	6,132,078	7,198,294	8,144,639	9,400,397
Electronic Nicotine Delivery System	5,412,200	7,174,017	8,820,813	10,491,382	12,557,803	14,156,439	16,962,541
Department of Revenue Before the Reduction of 62F Payments	19,814,985,180	23,912,456,317	26,110,416,211	30,367,068,791	36,888,297,514	39,450,562,512	44,125,811,464
Massachusetts Gaming Commission:							
Pari-Mutuel Taxes	117,384	263,507	409,631	555,754	701,877	848,000	994,123
Gaming Revenue Tax	213,889,869	260,802,781	307,715,693	354,628,605	401,541,517	448,454,429	495,367,341
Lottery Commission:							
Beano	229,337	263,094	296,758	330,908	373,151	405,830	463,194
Raffles and Bazaars	440,928	565,035	677,718	785,898	932,077	1,031,054	1,200,725
State Athletic Commission							
Boxing Contests	32,346	89,455	146,564	203,673	260,782	317,891	375,000
Boxer's Fund	8,076	19,230	30,384	41,538	52,692	63,846	75,000
Division of Insurance							
Excess and Surplus Lines Insurance	13,893	32,813	74,961,840	103,500,414	103,865,804	104,133,061	104,137,859
Secretary of State:							
Deeds Excise Stamp Tax Fees	45,214,587	55,747,003	63,226,094	68,943,403	77,699,377	85,964,052	109,162,688
Department of Unemployment Assistance:							
Workforce Training Contribution	7,931,712	8,517,831	10,291,434	10,457,375	12,379,510	26,526,396	26,864,057
Other Agencies Sub-Total	267,878,132	326,300,748	457,756,116	539,447,569	597,806,787	667,744,559	738,639,986
Total Net State Tax Revenue Before the Reduction of 62F Payments	20,082,863,312	24,238,757,065	26,568,172,327	30,906,516,360	37,486,104,300	40,118,307,071	44,864,451,450
Less:							
Estimate of 4% Income Surtax Revenues ^{(1) (2)}	(477,304,970)	(1,046,425,209)	(1,112,180,558)	(1,224,409,133)	(2,600,128,070)	(2,717,129,217)	(3,062,230,718)
Total Net State Tax Revenue Less the Estimate of 4% Income Surtax Revenue	19,605,558,342	23,192,331,856	25,455,991,769	29,682,107,227	34,885,976,231	37,401,177,854	41,802,220,732
Estimate of Allowable State Tax Revenues for the Fiscal Year Ended June 30, 2024	48,203,606,335	48,203,606,335	48,203,606,335	48,203,606,335	48,203,606,335	48,203,606,335	48,203,606,335
Net State Tax Revenues above/(below) of Allowable State Tax Revenues ⁽³⁾	(28,598,047,994)	(25,011,274,479)	(22,747,614,566)	(18,521,499,109)	(13,317,630,105)	(10,802,428,482)	(6,401,385,603)

1) Pursuant to subsection (d) of section 28B 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.

3) 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 \$477,304,970 during the period between July 2025 and September 2025. 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.