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 2026 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 January, 2026 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

January 31, 2026 year-to-date net state tax revenue excluding 4% income surtax revenue:	23,289,077,673
DOR's estimate of full year FY26 total net state tax revenue:	41,702,909,899
DOR's estimate of FY26 allowable net state revenue:	48,180,441,798
DOR's estimate of the amount by which net state tax revenue will be above(below) allowable state tax revenue:	(6,477,531,899)

If you have questions, please contact Tim Rooney, DOR CFO (rooneyt@dor.state,ma.us).

Sincerely,

Timothy Rooney

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

January 2026 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 January 31, 2026 [1] *(Exhibit 1)*	**$23,289,077,673**

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)*	**$41,702,909,899**
Allowable state tax revenue for FY25 *(Exhibit 3)*	$46,384,735,613
Estimate of allowable state tax revenue growth factor for FY26 *(Exhibit 2)*	1.0387133
Estimate of allowable state tax revenue for FY26 *(Exhibit 3)*	**$48,180,441,798**
Estimate of the amount net state tax revenue will be above/(below) allowable state tax revenue for FY26 [2] *(Exhibit 4)*	**($6,477,531,899)**

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 2026 Monthly 62F Report

Type of State Tax Revenue Collected (By Agency)	Fiscal YTD Net State Tax Revenues as of 1/31/2026
Department of Revenue:	
Alcoholic Beverages	61,994,715
Financial Institutions	5,429,960
Cigarettes	182,425,338
Corporations	1,373,621,965
Deeds	147,009,660
Estate and Inheritance	602,904,776
Income	14,882,090,638
Insurance	225,663,005
Motor Fuels and International Fuel Tax Agreement	421,357,162
Public Utilities	0
Room Occupancy	284,959,648
Sales and Use	5,826,065,796
Club Alcoholic Beverages	245,533
Motor Vehicle Excise	186,804
Convention Center Surcharges	13,749,769
Community Preservation Trust	26,429,390
Controlled Substances and Marijuana Excise	98,420,879
Satellite	2,413,357
Statewide Car Rental	4,591,506
Electronic Nicotine Delivery System	6,221,515
Department of Revenue Before the Reduction of 62F Payments	**24,165,781,416**
Pari-Mutual Taxes	222,313
Gaming Revenue Tax	282,900,925
Lottery Commission:	
Beano	267,667
Raffles and Bazaars	539,329
State Athletic Commission	
Boxing Contests	32,531
Boxer's Fund	8,122
Division of Insurance	
Excess and Surplus Lines Insurance	77,671,009
Secretary of State:	
Deeds Excise Stamp Tax Fees	55,835,060
Department of Unemployment Assistance:	
Workforce Training Contribution	8,524,224
Other Agencies Sub-Total	**426,001,180**
Total Net State Tax Revenue Before the Reduction of 62F Payments	**24,591,782,596**
Less:	
Estimate of 4% Income Surtax Revenues [(1) (2)]	(1,302,704,923)
Total Net State Tax Revenue Less the Estimate of 4% Income Surtax Revenue	**23,289,077,673**

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 $1,302,704,923 during the period between July 2025 and January 2026. 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

January 2026 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	$373,301,462	1.0291125
Estimate of the Sum of 2022 - 2025 calendar year growth increase		**3.1161400**
Estimate of the allowable state tax growth factor for FY26 [3]		**1.0387133**

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 slaray 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

January 2026 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	1.0387133
Estimate of allowable state revenue for the FY26	$48,180,441,798

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.

January 2026 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 1/31/2026**	**Feb-26**	**Mar-26**	**Apr-26**	**May-26**	**Jun-26**
Department of Revenue:						
Alcoholic Beverages	61,994,715	67,657,125	73,789,564	81,974,608	89,803,431	98,687,777
Financial Institutions	5,429,960	5,695,901	11,441,566	13,753,111	14,055,011	18,012,226
Cigarettes	182,425,338	204,602,252	226,067,341	256,946,882	283,072,896	310,166,519
Corporations	1,373,621,965	1,354,435,435	2,444,079,361	2,834,824,138	2,822,914,027	3,550,662,406
Deeds	147,009,660	165,569,488	176,778,382	196,343,674	217,819,579	258,360,124
Estate and Inheritance	602,904,776	635,901,411	673,282,583	718,611,813	759,622,225	824,831,277
Income	14,882,090,638	16,178,426,476	18,228,727,417	23,099,035,132	24,627,257,396	27,246,391,277
Insurance	225,663,005	233,838,662	410,474,319	481,536,838	490,817,971	612,472,343
Motor Fuels and International Fuel Tax Agreement	421,357,162	480,385,651	536,542,513	599,872,389	661,778,414	728,417,268
Public Utilities	0	0	0	0	0	0
Room Occupancy	284,959,648	304,946,943	331,114,303	362,227,808	416,369,390	397,317,289
Sales and Use	5,826,065,796	6,529,355,543	7,227,616,087	8,103,794,863	8,873,204,724	9,786,547,220
Club Alcoholic Beverages	245,533	311,969	379,364	462,729	527,222	640,428
Motor Vehicle Excise	186,804	239,562	293,082	359,283	410,498	500,397
Convention Center Surcharges	13,749,769	14,494,530	15,239,290	15,984,051	16,728,812	17,473,573
Community Preservation Trust	26,429,390	29,822,097	32,027,475	35,717,557	39,592,568	47,897,381
Controlled Substances and Marijuana Excise	98,420,879	111,894,304	125,617,455	142,462,261	155,550,773	178,434,888
Satellite	2,413,357	2,776,766	3,145,420	3,601,430	3,954,210	4,573,450
Statewide Car Rental	4,591,506	5,663,860	6,742,227	7,920,703	8,980,878	10,346,415
Electronic Nicotine Delivery System	6,221,515	7,846,748	9,495,442	11,534,806	13,112,509	15,881,868
Department of Revenue Before the Reduction of 62F Payments	**24,165,781,416**	**26,333,864,722**	**30,532,853,191**	**36,966,964,077**	**39,495,572,535**	**44,107,614,125**
Massachusetts Gaming Commission:						
Pari-Mutuel Taxes	222,313	376,675	531,037	685,399	839,761	994,123
Gaming Revenue Tax	282,900,925	325,394,208	367,887,491	410,380,775	452,874,058	495,367,341
Lottery Commission:						
Beano	267,667	301,331	335,481	377,724	410,404	467,767
Raffles and Bazaars	539,329	652,012	760,192	906,371	1,005,348	1,175,019
State Athletic Commission						
Boxing Contests	32,531	101,024	169,518	238,012	306,506	375,000
Boxer's Fund	8,122	21,498	34,873	48,249	61,624	75,000
Division of Insurance						
Excess and Surplus Lines Insurance	77,671,009	152,600,037	181,138,611	181,504,000	181,771,257	181,776,055
Secretary of State:						
Deeds Excise Stamp Tax Fees	55,835,060	63,314,151	69,031,460	77,787,435	86,052,110	109,250,745
Department of Unemployment Assistance:						
Workforce Training Contribution	8,524,224	10,297,828	10,463,769	12,385,904	26,532,789	26,870,450
Other Agencies Sub-Total	**426,001,180**	**553,058,764**	**630,352,434**	**684,313,868**	**749,853,857**	**816,351,501**
Total Net State Tax Revenue Before the Reduction of 62F Payments	**24,591,782,596**	**26,886,923,486**	**31,163,205,625**	**37,651,277,945**	**40,245,426,392**	**44,923,965,626**
Less:						
Estimate of 4% Income Surtax Revenues [1] [2]	(1,302,704,923)	(1,365,281,310)	(1,472,084,162)	(2,781,293,566)	(2,892,638,259)	(3,221,055,727)
Total Net State Tax Revenue Less the Estimate of 4% Income Surtax Revenue	**23,289,077,673**	**25,521,642,176**	**29,691,121,463**	**34,869,984,379**	**37,352,788,134**	**41,702,909,899**
Estimate of Allowable State Tax Revenues for the Fiscal Year Ended June 30, 2024	**48,180,441,798**	**48,180,441,798**	**48,180,441,798**	**48,180,441,798**	**48,180,441,798**	**48,180,441,798**
Net State Tax Revenues above/(below) of Allowable State Tax Revenues [3]	**(24,891,364,125)**	**(22,658,799,623)**	**(18,489,320,336)**	**(13,310,457,419)**	**(10,827,653,665)**	**(6,477,531,899)**

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.

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 $1,302,704,923 during the period between July 2025 and January 2026. 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.