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February 27, 2026

Secretary Matthew J. Gorzkowicz
Executive Office for Administration and Finance
State House, Room 373
Boston, MA 02133

Interim Secretary Phil Eng
Massachusetts Department of Transportation
10 Park Plaza, Room 3170
Boston, MA 02116

RE: March 2026 Certification of MBTA Base Sales Tax Revenues for Fiscal Year 2027

Dear Secretary Gorzkowicz and Interim Secretary Eng:

Pursuant to M.G.L. c. 10, § 35T, this letter certifies for Fiscal Year 2027 the MBTA Base Sales Tax Revenue. This certification was done in consultation with the Department of Revenue. The details of the calculations are shown in the table below.

Base Sales Tax Revenue: The base revenue amount for Fiscal Year 2027 is calculated by multiplying the base revenue amount for the prior fiscal year by the change in the calendar year 2025 consumer price index for all urban consumers for the Boston metropolitan area as determined by the Bureau of Labor Statistics of the United States Department of Labor. This figure is then compared to the percent increase in gross sales tax revenues received pursuant to M.G.L. c. 64H and M.G.L. c. 64I for the same period. The calendar year 2025 "gross sales tax revenues" is defined as sales tax receipts by taxpayers from nonexempt sales, less amounts abated, refunded, or reimbursed.

Pursuant to Section 35T, if the calendar year 2025 inflation rate is greater than 3.000%, the Fiscal Year 2027 base revenue will be 3.000%, regardless of the increase in calendar year 2025 gross sales tax revenue. The calendar year 2025 inflation rate was 3.125%; therefore, the base

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sales tax revenue growth rate for Fiscal Year 2027 is 3.000%. The table on the next page presents the calculation of the base revenue amount.

I certify to you that the base sales tax revenue amount for **Fiscal Year 2027 increased by an amount of \$36,993,481, or 3.000% compared to the Fiscal Year 2026 figure of \$1,233,116,018. The base revenue amount for Fiscal Year 2027 is \$1,270,109,499.**

Should you have any questions on the calculation of these amounts, please feel free to contact Chief Financial Reporting Officer Pauline Lieu at Pauline.Lieu@mass.gov or (617) 352-8239 or me at William.McNamara@mass.gov or (617) 973-2315.

Fiscal Year 2027 MBTA Base Sales Tax Revenue Calculations:

Calculation - Base Revenue:

Change in inflation index for the Boston metropolitan area for calendar year 2025 (annualized, non-seasonally adjusted).....	3.125%
Growth in gross sales tax revenue, for calendar year 2025.....	0.760%
Allowable base revenue growth.....	3.000%
Current fiscal year's base revenue (FY2026).....	\$ 1,233,116,018
Growth factor.....	<u>3.000%</u>
Upcoming fiscal year's base revenue (FY2027).....	<u>\$ 1,270,109,499</u>

Sincerely yours,

DocuSigned by:

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William McNamara
Comptroller of the Commonwealth

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Attachment: Calculation of Fiscal Year 2027 Base Sales Tax Revenue

cc: Representative Aaron Michlewitz, Chair, House Ways and Means, Committee Senator
Michael Rodrigues, Chair, Senate Ways and Means Committee
Michael D. Hurley, Senate Clerk, Office of the Clerk of the Senate
Timothy Carroll, House Clerk, Office of the Clerk of the House
Brian Donahue, Budget Director, House Committee on Ways and Means
Christopher Czepiel, Budget Director, Senate Committee on Ways and Means
Deborah B. Goldberg, Treasurer and Receiver General, Office of the Treasurer
Geoffrey Snyder, Commissioner, Department of Revenue
Joe Pagliuca, Controller, Massachusetts Bay Transit Authority
Mary Ann O'Hara, Chief Financial Officer, Massachusetts Bay Transit Authority
Danielle Cerny, Chief of Staff, Executive Office for Administration and Finance
Martha Kwasnik, General Counsel, Executive Office for Administration and Finance
Emily Ackman, Director of Administration and Operations, Executive Office for
Administration and Finance
Christopher Marino, Assistant Secretary for Budget, Executive Office for Administration and
Finance
Thomas Smith-Vaughan., Chief Operating Officer, Office of the Comptroller
Amy Nable, General Counsel, Office of the Comptroller
Pauline Lieu, Assistant Comptroller & Chief Financial Reporting Officer, Office of the
Comptroller
Tamia Buckingham, Deputy Financial Reporting Officer, Office of the Comptroller