



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.
February 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 February, 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

February 28, 2026 year-to-date net state tax revenue excluding 4% income surtax revenue:	25,613,953,703
DOR's estimate of full year FY26 total net state tax revenue:	41,750,387,082
DOR's estimate of FY26 allowable net state revenue:	48,266,193,259
DOR's estimate of the amount by which net state tax revenue will be above(below) allowable state tax revenue:	(6,515,806,177)

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
February 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	February 28, 2026 ⁽¹⁾ (Exhibit 1)	\$25,613,953,703
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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⁾ (Exhibit 4)		\$41,750,387,082
Allowable state tax revenue for FY25 (Exhibit 3)		\$46,384,735,613
Estimate of allowable state tax revenue growth factor for FY26 (Exhibit 2)		1.0405620
Estimate of allowable state tax revenue for FY26 (Exhibit 3)		\$48,266,193,259
Estimate of the amount net state tax revenue will be above/(below) allowable state tax revenue for FY26 ⁽²⁾ (Exhibit 4)		(\$6,515,806,177)

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

February 2026 Monthly 62F Report

Type of State Tax Revenue Collected (By Agency)	Fiscal YTD Net State Tax Revenues as of 2/28/2026
Department of Revenue:	
Alcoholic Beverages	66,985,193
Financial Institutions	5,220,379
Cigarettes	200,572,088
Corporations	1,396,322,053
Deeds	162,151,426
Estate and Inheritance	644,498,776
Income	16,300,346,703
Insurance	226,772,930
Motor Fuels and International Fuel Tax Agreement	477,987,326
Public Utilities	0
Room Occupancy	308,916,917
Sales and Use	6,479,629,655
Club Alcoholic Beverages	328,828
Motor Vehicle Excise	439,808
Convention Center Surcharges	13,751,420
Community Preservation Trust	29,565,350
Controlled Substances and Marijuana Excise	112,777,897
Satellite	2,742,162
Statewide Car Rental	4,591,860
Electronic Nicotine Delivery System	7,183,112
Department of Revenue Before the Reduction of 62F Payments	26,440,783,884
Pari-Mutual Taxes	225,050
Gaming Revenue Tax	309,366,691
Lottery Commission:	
Beano	290,784
Raffles and Bazaars	613,846
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	77,495,453
Department of Unemployment Assistance:	
Workforce Training Contribution	10,171,256
Other Agencies Sub-Total	475,874,741
Total Net State Tax Revenue Before the Reduction of 62F Payments	26,916,658,625
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	25,613,953,703

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
February 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 Actual	\$375,313,250	1.0346586
Estimate of the Sum of 2022 - 2025 calendar year growth increase		3.1216861
Estimate of the allowable state tax growth factor for FY26⁽³⁾		1.0405620

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
February 2026 Monthly 62F Report

Allowable state tax revenue for the FY25 ⁽¹⁾	\$46,384,735,613
Allowable state tax growth factor for FY26	1.0405620
Allowable state tax revenue for FY26	<u>\$48,266,193,259</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.

February 2026 Monthly 62F Report

Fiscal Year-to-Date of Net State Tax Revenues Type of State Tax Revenue Collected (By Agency)	Fiscal YTD Net State Tax Revenues as of 2/28/2026	DOR Estimate of Year-to-Date Net State Tax Revenue for the Remainder of Fiscal Year 2026			
		Mar-26	Apr-26	May-26	Jun-26
Department of Revenue:					
Alcoholic Beverages	66,985,193	73,117,633	81,302,676	89,131,500	98,015,845
Financial Institutions	5,220,379	10,966,044	13,277,590	13,579,489	17,536,704
Cigarettes	200,572,088	222,063,399	252,980,662	279,138,591	306,265,311
Corporations	1,396,322,053	2,485,965,979	2,876,710,756	2,864,800,645	3,592,549,024
Deeds	162,151,426	173,360,320	192,925,612	214,401,517	254,942,062
Estate and Inheritance	644,498,776	681,879,948	727,209,178	768,219,590	833,428,642
Income	16,300,346,703	18,351,210,552	23,222,855,403	24,751,497,238	27,371,350,198
Insurance	226,772,930	403,408,587	474,471,106	483,752,239	605,406,611
Motor Fuels and International Fuel Tax Agreement	477,987,326	534,144,188	597,474,064	659,380,089	726,018,943
Public Utilities	0	0	0	0	0
Room Occupancy	308,916,917	334,664,011	365,277,810	418,549,839	399,803,729
Sales and Use	6,479,629,655	7,177,931,322	8,054,161,700	8,823,616,874	9,737,013,161
Club Alcoholic Beverages	328,828	396,223	479,588	544,081	657,287
Motor Vehicle Excise	439,808	493,327	559,529	610,744	700,642
Convention Center Surcharges	13,751,420	14,681,959	15,612,497	16,543,035	17,473,573
Community Preservation Trust	29,565,350	31,671,868	35,196,537	38,897,843	46,830,380
Controlled Substances and Marijuana Excise	112,777,897	126,501,048	143,345,854	156,434,366	179,318,481
Satellite	2,742,162	3,110,816	3,566,826	3,919,606	4,538,846
Statewide Car Rental	4,591,860	5,588,285	6,684,819	7,663,052	8,946,648
Electronic Nicotine Delivery System	7,183,112	8,831,807	10,871,170	12,448,873	15,218,232
Department of Revenue Before the Reduction of 62F Payments	26,440,783,884	30,639,987,315	37,074,963,376	39,603,129,213	44,216,014,319
Massachusetts Gaming Commission:					
Pari-Mutuel Taxes	225,050	417,318	609,586	801,855	994,123
Gaming Revenue Tax	309,366,691	355,866,853	402,367,016	448,867,179	495,367,341
Lottery Commission:					
Beano	290,784	324,934	367,177	399,856	457,219
Raffles and Bazaars	613,846	722,026	868,205	967,182	1,136,853
State Athletic Commission					
Boxing Contests	32,531	118,148	203,765	289,383	375,000
Boxer's Fund	8,122	24,842	41,561	58,281	75,000
Division of Insurance					
Excess and Surplus Lines Insurance	77,671,009	106,209,583	106,574,973	106,842,230	106,847,027
Secretary of State:					
Deeds Excise Stamp Tax Fees	77,495,453	83,212,762	91,968,737	100,233,412	123,432,047
Department of Unemployment Assistance:					
Workforce Training Contribution	10,171,256	10,337,197	12,259,332	26,406,217	26,743,878
Other Agencies Sub-Total	475,874,741	557,233,664	615,260,351	684,865,593	755,428,490
Total Net State Tax Revenue Before the Reduction of 62F Payments	26,916,658,625	31,197,220,979	37,690,223,728	40,287,994,806	44,971,442,809
Less:					
Estimate of 4% Income Surtax Revenues ^{(1) (2)}	(1,302,704,923)	(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	25,613,953,703	29,725,136,816	34,908,930,162	37,395,356,548	41,750,387,082
Estimate of Allowable State Tax Revenues for the Fiscal Year Ended June 30, 2024	48,266,193,259	48,266,193,259	48,266,193,259	48,266,193,259	48,266,193,259
Net State Tax Revenues above/(below) of Allowable State Tax Revenues ⁽³⁾	(22,652,239,557)	(18,541,056,443)	(13,357,263,097)	(10,870,836,711)	(6,515,806,177)

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

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.