



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.
March 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 March, 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

March 31, 2026	year-to-date net state tax revenue excluding 4% income surtax revenue:	30,032,776,903
	DOR's estimate of full year FY26 total net state tax revenue:	42,571,422,487
	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:	(5,694,770,772)

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
March 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	March 31, 2026	⁽¹⁾ (Exhibit 1)	\$30,032,776,903
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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)	\$42,571,422,487
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)	<u><u>(\$5,694,770,772)</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

March 2026 Monthly 62F Report

Type of State Tax Revenue Collected (By Agency)	Fiscal YTD Net State Tax Revenues as of 3/31/2026
Department of Revenue:	
Alcoholic Beverages	72,701,692
Financial Institutions	10,072,532
Cigarettes	221,334,659
Corporations	2,350,406,951
Deeds	173,158,157
Estate and Inheritance	685,097,093
Income	18,553,401,693
Insurance	490,041,607
Motor Fuels and International Fuel Tax Agreement	529,771,540
Public Utilities	0
Room Occupancy	326,002,995
Sales and Use	7,195,581,039
Club Alcoholic Beverages	436,256
Motor Vehicle Excise	466,359
Convention Center Surcharges	13,780,950
Community Preservation Trust	33,009,450
Controlled Substances and Marijuana Excise	127,655,869
Satellite	3,030,591
Statewide Car Rental	4,592,271
Electronic Nicotine Delivery System	7,906,712
Department of Revenue Before the Reduction of 62F Payments	30,798,448,416
Pari-Mutual Taxes	343,271
Gaming Revenue Tax	352,868,896
Lottery Commission:	
Beano	330,586
Raffles and Bazaars	674,871
State Athletic Commission	
Boxing Contests	52,165
Boxer's Fund	13,031
Division of Insurance	
Excess and Surplus Lines Insurance	104,634,928
Secretary of State:	
Deeds Excise Stamp Tax Fees	67,778,790
Department of Unemployment Assistance:	
Workforce Training Contribution	10,336,873
Other Agencies Sub-Total	537,033,410
Total Net State Tax Revenue Before the Reduction of 62F Payments	31,335,481,826
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	30,032,776,903

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
March 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
March 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.

March 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 3/31/2026	Apr-26	May-26	Jun-26	
Department of Revenue:					
Alcoholic Beverages	72,701,692	80,886,735	88,715,559	97,599,904	
Financial Institutions	10,072,532	12,384,078	12,685,978	16,643,192	
Cigarettes	221,334,659	252,295,669	278,490,610	305,655,714	
Corporations	2,350,406,951	2,741,151,728	2,729,241,618	3,456,989,997	
Deeds	173,158,157	192,723,448	214,199,354	254,739,898	
Estate and Inheritance	685,097,093	730,426,323	771,436,735	836,645,787	
Income	18,553,401,693	24,252,650,487	25,781,733,693	28,402,343,092	
Insurance	490,041,607	561,104,126	570,385,259	692,039,630	
Motor Fuels and International Fuel Tax Agreement	529,771,540	593,101,416	655,007,442	721,646,295	
Public Utilities	0	0	0	0	
Room Occupancy	326,002,995	357,145,978	411,338,855	392,268,704	
Sales and Use	7,195,581,039	8,071,840,349	8,841,320,928	9,754,747,372	
Club Alcoholic Beverages	436,256	519,621	584,114	697,320	
Motor Vehicle Excise	466,359	532,561	583,776	673,674	
Convention Center Surcharges	13,780,950	15,011,824	16,242,699	17,473,573	
Community Preservation Trust	33,009,450	36,889,591	40,964,185	49,696,741	
Controlled Substances and Marijuana Excise	127,655,869	144,500,675	157,589,187	180,473,303	
Satellite	3,030,591	3,486,601	3,839,381	4,458,621	
Statewide Car Rental	4,592,271	5,625,078	6,539,585	7,759,454	
Electronic Nicotine Delivery System	7,906,712	9,946,075	11,523,778	14,293,137	
Department of Revenue Before the Reduction of 62F Payments	30,798,448,416	38,062,222,365	40,592,422,735	45,206,845,410	
Massachusetts Gaming Commission:					
Pari-Mutuel Taxes	343,271	560,222	777,172	994,123	
Gaming Revenue Tax	352,868,896	400,368,378	447,867,860	495,367,341	
Lottery Commission:					
Beano	330,586	372,828	405,508	462,871	
Raffles and Bazaars	674,871	821,049	920,026	1,089,698	
State Athletic Commission					
Boxing Contests	52,165	159,776	267,388	375,000	
Boxer's Fund	13,031	33,687	54,344	75,000	
Division of Insurance					
Excess and Surplus Lines Insurance	104,634,928	105,000,317	105,267,574	105,272,372	
Secretary of State:					
Deeds Excise Stamp Tax Fees	67,778,790	76,534,765	84,799,440	107,998,076	
Department of Unemployment Assistance:					
Workforce Training Contribution	10,336,873	12,259,008	26,405,893	26,743,554	
Other Agencies Sub-Total	537,033,410	596,110,030	666,765,205	738,378,035	
Total Net State Tax Revenue Before the Reduction of 62F Payments	31,335,481,826	38,658,332,395	41,259,187,941	45,945,223,444	
Less:					
Estimate of 4% Income Surtax Revenues ^{(1) (2)}	(1,302,704,923)	(2,853,043,681)	(2,984,895,769)	(3,373,800,957)	
Total Net State Tax Revenue Less the Estimate of 4% Income Surtax Revenue	30,032,776,903	35,805,288,714	38,274,292,172	42,571,422,487	
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	
Net State Tax Revenues above/(below) of Allowable State Tax Revenues ⁽³⁾	(18,233,416,356)	(12,460,904,545)	(9,991,901,087)	(5,694,770,772)	

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

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

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.