



WILLIAM McNAMARA
COMPTROLLER

Commonwealth of Massachusetts

OFFICE OF THE COMPTROLLER

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August 18, 2026

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

The Honorable Aaron 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

RE: Fiscal Year 2026 Excess Capital Gains Tax Revenue Transfers to the Stabilization Fund, the State Retiree Benefits Trust Fund, and the Pension Liability Fund

Dear Secretary Gorzkowicz and Chairs of the Committees on Ways and Means:

[Section 5G of Chapter 29](#) of the Massachusetts General Laws requires that capital gains tax revenue in excess of the fiscal year capital gains tax threshold be transferred as follows: (i) 90% to the Commonwealth Stabilization Fund; (ii) 5% to the State Retiree Benefits Trust Fund (SRBTF) and (iii) 5% to the Commonwealth's Pension Liability Fund (PRIT). For the purposes of Fiscal Year 2026, however, Section 117 of Chapter 9 of the Acts of 2025¹ ([FY26 GAA](#)) amended these transfers as follows: (i) 5% to the Commonwealth Stabilization Fund; (ii) 5% to the State Retiree Benefits Trust Fund (SRBTF) and (iii) 90% to the Commonwealth's Pension Liability Fund (PRIT).

¹ "SECTION 117. Notwithstanding any general or special law to the contrary, the comptroller shall transfer capital gains collected in excess of the threshold under section 5G of chapter 29 of the General Laws on a quarterly basis as follows: (i) 90 per cent to the Commonwealth's Pension Liability Fund established in subsection (e) of subdivision (8) of section 22 of chapter 32 of the General Laws, which shall satisfy the fiscal year 2026 requirements set forth in subdivision (1) of section 22C of said chapter 32; (ii) 5 per cent to the Commonwealth Stabilization Fund established in section 2H of chapter 29 of the General Laws; and (iii) 5 per cent to the State Retiree Benefits Trust Fund established in section 24 of chapter 32A of the General Laws."

Fiscal Year 2026 Capital Gains Tax Revenue Transfer to Stabilization Fund and Pension Funds
August 18, 2026

The Fiscal Year 2026 capital gains tax threshold is \$1,661,441,081. On June 12, 2026, the Commissioner of Revenue certified the Fiscal Year 2026 estimated revenue collected from capital gains income through Period 3. The amount certified was \$2,912,225,422.26. On June 17, 2026, my office processed transfers to the three funds totaling \$1,250,784,341.26. The amounts transferred to each fund were as follows:

From the General Fund to:	Amount	% of total
Commonwealth Stabilization Fund	\$62,539,217.06	5%
State Retiree Benefits Trust Fund (SRBTF)	\$62,539,217.06	5%
Commonwealth's Pension Liability Fund (PRIT)	\$1,125,705,907.13	90%
Total	\$1,250,784,341.26	100%

On July 20, 2026, the Commissioner of Revenue certified the Fiscal Year 2026 estimated revenue collected from capital gains income through Period 4. The amount certified was \$3,216,362,109.07. Section 1A of Chapter 9 of the Acts of 2025, under the section "Statutory Tax Transfers", applies up to \$599.0M from fiscal year 2026 excess capital gains to the annual Commonwealth contribution to the state pension system. Accordingly, on July 29, 2026, my office transferred \$597,370,875.00 to the Pension Reserve Investment Fund (PRIT).²

After the transfer to PRIT, \$957,550,153.07 remained of excess capital gains for transfer to the three funds pursuant to Section 5G of Chapter 29 of the General Laws and Section 117 of Chapter 9 of the Acts of 2025. On August 3, 2026, I processed adjusting transfers to the three funds. The amounts transferred to each fund in Fiscal Year 2026 are as follows:

From the General Fund to:	Amount	% of total
Commonwealth Stabilization Fund	\$47,877,507.65	5%
State Retiree Benefits Trust Fund (SRBTF)	\$47,877,507.65	5%
Commonwealth's Pension Liability Fund (PRIT)	\$861,795,137.76	90%
Total	\$957,550,153.07	100%

If you have any questions regarding this letter, please contact Kristin Lacroix, Assistant Comptroller, at kristinm.lacroix@mass.gov or me at William.Mcnamara@mass.gov.

Sincerely,

Signed by:

 408AB804EF29450...

William McNamara
Comptroller of the Commonwealth

² PERAC declined their share of the transfer in the amount of \$1,619,895; email correspondence dated May 18, 2026.

Fiscal Year 2026 Capital Gains Tax Revenue Transfer to Stabilization Fund and Pension Funds
August 18, 2026

Attachments:

Attachment #1: Recap of capital gains surtax revenue treatment

Attachment #2: Capital Gains Tax Certification Letter from Commissioner of Revenue

Attachment #3: FY26 Capital Gains Threshold Certification from Department of Revenue

cc: Danielle Cerny, Chief of Staff, Executive Office for Administration and Finance
Christopher Marino, Assistant Secretary of Budget, 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
Brian Donahue, Budget Director, House Committee on Ways and Means
Christopher Czepiel, Budget Director, Senate Committee on Ways and Means
Megan Delaney, Deputy Budget Director, Senate Committee on Ways and Means
Geoffrey E. Snyder, Commissioner, Department of Revenue
Kazim Ozyurt, Director, Office of Tax Policy Analysis, Department of Revenue
James MacDonald, First Deputy Treasurer, Office of the Treasurer and Receiver General
Thomas Smith-Vaughan, Chief Operating Officer, Office of the Comptroller
Pauline Lieu, Assistant Comptroller, Office of the Comptroller
Amy Nable, General Counsel/Assistant Comptroller, Office of the Comptroller
Minot Powers, Chief Financial Officer, Office of the Treasurer
Kathryn Kougias, Executive Director, State Board of Retirement
Alison Malone, Chief Financial Officer, Massachusetts Teachers' Retirement System

Fiscal Year 2026 Capital Gains Tax Revenue Transfer to Stabilization Fund and Pension Funds
August 18, 2026

Attachment # 1: MGL Chapter 29, Section 5G

After each quarter, the department of revenue shall certify to the state comptroller the amount of tax revenues estimated to have been collected during the preceding quarter from capital gains income. If the department of revenue certifies that the amount of tax revenues estimated to have been collected from capital gains income exceeds \$1,000,000,000 in a fiscal year, the comptroller shall transfer quarterly any such amount that exceeds \$1,000,000,000 collected during that fiscal year as follows: (i) 90 per cent shall be transferred to the Commonwealth Stabilization Fund established in section 2H; (ii) 5 per cent shall be transferred to the State Retiree Benefits Trust Fund established in section 24 of chapter 32A; and (iii) 5 per cent shall be transferred to the Commonwealth's Pension Liability Fund established in subsection (e) of subdivision 8 of section 22 of chapter 32. The \$1,000,000,000 threshold established in the preceding sentence shall be adjusted annually to reflect the average annual rate of growth in United States gross domestic product over the preceding 5 years based on the most recently available data published by the Bureau of Economic Analysis in the United States Department of Commerce.

The transfers shall be made before the certification of the consolidated net surplus for the previous fiscal year under section 5C. The department of revenue shall report by November 30 to the state comptroller, the executive office for administration and finance and the house and senate committees on ways and means tax revenues estimated to have been collected during the preceding fiscal year from capital gains income. The comptroller shall not make adjustment to amounts previously transferred if the capital gains revenue reported on November 30 differs from the amounts estimated during the preceding fiscal year.

For the purposes of this section, income tax revenue collected from the additional 4 per cent income tax levied pursuant to Article XLIV of the Amendments to the Constitution of the Commonwealth shall not be considered to be tax revenue collected from capital gains income.



GEOFFREY E. SNYDER
COMMISSIONER

The Commonwealth of Massachusetts
Department of Revenue
Office of the Commissioner
PO Box 7091
Boston, MA 02204-7091

July 20, 2026

William J. McNamara, Comptroller
Office of the Comptroller
Commonwealth of Massachusetts
One Ashburton Place, Room 901
Boston, MA 02108

Dear Comptroller McNamara:

Pursuant to Section 5G of Chapter 29 of the General Laws, the Department of Revenue (DOR) is required to certify to the State Comptroller, after each quarter during the fiscal year, the amount of tax revenues estimated to have been collected during the quarter from capital gain income.

Because capital gains tax payments are remitted unevenly throughout the fiscal year according to tax filing deadlines, to ensure accurate reporting DOR certifies capital gains tax collections on the following schedule:

Period 1 (July 1 through September 30)

Period 2 (October 1 through January 31)

Period 3 (February 1 through May 31)

Period 4 (June 1 through June 30)

The table below shows capital gains tax revenue estimates for each of the certification periods, and for the full fiscal year 2026.

Capital Gains Tax Collections (\$)

Period	Period total	Fiscal year-to-date total
Period 1 (July 1, 2025 to September 30, 2025)	\$417,293,125.41	\$417,293,125.41
Period 2 (October 1, 2025 to January 31, 2026)	\$669,328,964.92	\$1,086,622,090.33
Period 3 (February 1, 2026 to May 31, 2026)	\$1,784,832,428.14	\$2,871,454,518.47
Period 4 (June 1, 2026 through June 30, 2026)	\$344,907,590.60	\$3,216,362,109.07

Based on currently available data, DOR hereby certifies that tax revenue estimated to have been collected from capital gains income was \$344,907,590.60 during Period 4 of fiscal year 2026 (June 1, 2026 through June 30,

2026). The fiscal year 2026 full year tax revenue estimated to have been collected from capital gains income was \$3,216,362,109.07, which does not include an estimated \$1,419,734,489.51 in capital gains tax revenue collected from the 4% income surtax.¹ These figures are subject to revision as DOR receives and analyzes more tax data. Those changes will be reflected in the November 2026 final report of fiscal year 2026 tax revenue from capital gains income.

If you have any questions concerning this letter, please contact Kazim P. Ozyurt, Director of the Office of Tax Analysis (ozyurtk@dor.state.ma.us).

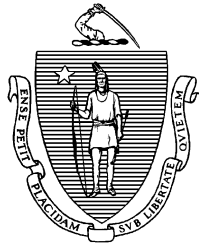
Sincerely,



Geoffrey E. Snyder
Commissioner

cc: Secretary Matthew J. Gorzkowicz, Executive Office for Administration and Finance
The Honorable Michael J. Rodrigues, Chair, Senate Committee on Ways and Means
The Honorable Aaron Michlewitz, Chair, House Committee on Ways and Means

¹ Pursuant to Section 2BBBBBB of Chapter 29 of the General Laws (<https://malegislature.gov/Laws/GeneralLaws/PartI/TitleIII/Chapter29/Section2BBBBBB>), revenue from this tax collected and deposited into the Education and Transportation Fund shall not be considered tax revenue collected from capital gains income for the purposes of Section 5G of Chapter 29 of the General Laws (<https://malegislature.gov/Laws/GeneralLaws/PartI/TitleIII/Chapter29/Section5G>).



Geoffrey E. Snyder
Commissioner

The Commonwealth of Massachusetts
Department of Revenue
Office of the Commissioner
P.O. Box 9550
Boston, MA 02114-9550

December 31, 2024

Mr. William J. McNamara
Comptroller
Commonwealth of Massachusetts
1 Ashburton Place, 9th Floor
Boston, MA 02108

Dear Mr. McNamara:

Pursuant to Section 5G of Chapter 29 of the Massachusetts General Laws¹, and based on the procedure agreed upon by the Secretary of Administration and Finance and the Chairs of the House and Senate Committees on Ways and Means, the Department of Revenue (DOR) hereby certifies that, for the purpose of determining the amount of capital gains that will be transferred to the Commonwealth Stabilization Fund, the fiscal year 2026 capital gains tax collections threshold is \$1,661,441,081. Any fiscal year 2026 capital gains tax collections above that threshold, as certified by DOR, will be transferred to various funds as follows: 90% to the Commonwealth Stabilization Fund; 5% to the State Retiree Benefits Trust Fund; and 5% to the Commonwealth's Pension Liability Fund. Please see attached table for our calculations.

If you have any questions concerning this letter, please contact me (snyderge@dor.state.ma.us), or Kazim P. Ozyurt, Director of the Office of Tax Analysis (ozyurtk@dor.state.ma.us).

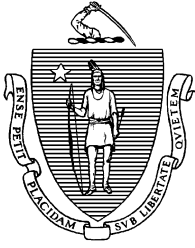
Sincerely,

A handwritten signature in dark ink, appearing to read "G. Snyder", written over a light blue horizontal line.

Geoffrey E. Snyder
Commissioner

cc: Secretary Matthew Gorzkowicz, Executive Office for Administration and Finance
The Honorable Michael J. Rodrigues, Chair, Senate Committee on Ways and Means
The Honorable Aaron Michlewitz, Chair, House Committee on Ways and Means

¹ <https://malegislature.gov/Laws/GeneralLaws/PartI/TitleIII/Chapter29/Section5G>



Geoffrey E. Snyder
Commissioner

The Commonwealth of Massachusetts
Department of Revenue
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P.O. Box 9550
Boston, MA 02114-9550

Calculation of Fiscal Year 2026 Capital Gains Tax Threshold:

Nominal U.S. gross domestic product (GDP) for the period five years prior to the current period. GDP (*) figures for the four quarters ending in the third quarter of 2019 (**)

2018: Quarter 4	20,918
2019: Quarter 1	21,112
2019: Quarter 2	21,398
2019: Quarter 3	21,717

Average GDP five years ago: 21,286 A

Nominal U.S. gross domestic product (GDP) for the current period. Most recently available GDP (*) figures for the four quarters ending in the third quarter of 2024 (**)

2023: Quarter 4	28,297
2024: Quarter 1	28,624
2024: Quarter 2	29,017
2024: Quarter 3	29,375

Average current GDP: 28,828 B

Compound annual growth rate (CAGR)(*): 6.2536863% C = $[(B / A)^{(1/5)}] - 1$**

Fiscal Year 2025 Capital Gains Tax Threshold: \$1,563,655,002 D

1+ Compound annual growth rate (CAGR): 106.2536863% E=(1+C)

Fiscal Year 2026 Capital Gains Tax Threshold: \$1,661,441,081 F=D*E

(*) U.S. Gross Domestic Product figures are seasonally adjusted at annual rates and in billions of current dollars.

www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm

(**) The 4th quarter of 2024 GDP figure is not available at the time when these calculations are conducted. The 3rd quarter of 2024 U.S. GDP figure ("third" estimate) was released by the Bureau of Economic Analysis on December 19, 2024.

(***) *Compound annual growth rate (CAGR)* = $[(\text{Average current GDP} / \text{Average GDP five years ago}) \text{ to the power } (1/5)] - 1$