



**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.  
May 2024 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 Mark J. Cusack, Chair  
Joint Committee on Revenue  
State House, Room 34  
Boston, MA 02133

The Honorable Susan L. Moran, Chair  
Joint Committee on Revenue  
State House, Room 312-D  
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 Cusack, Moran, 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 May, 2024 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 FY24 full fiscal year net state tax revenue and FY24 allowable state tax revenue, the Department currently projects FY24 full fiscal year net state tax revenue will not exceed FY24 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.

Pursuant to section 5 of chapter 62F, DOR shall annually, on or before September first prepare a report of the net state tax revenues and the allowable state tax revenues of the Commonwealth for the preceding fiscal year and shall submit the report to the state auditor. DOR will submit the annual 62F report to Clerks James and Hurley and Chairs Cusack, Moran, Michlewitz and Rodrigues in lieu of the June monthly 62F report.

Note that for the purposes of this report, year-to-date FY24 revenue and the full fiscal year estimate of FY24 revenue have been reduced by the amount of the 62F payments made in FY24 as a result of the 62F process. Chapter 62F provides that, to determine whether net state tax revenues have exceeded allowable state tax revenues in a fiscal year, net state tax revenues must be "decreased by the amount of state tax revenues abated or refunded." G.L. c. 62F, § 2. In FY24, the application of this statutory requirement results in a net state tax revenue figure that differs from FY24 revenue totals reported in other revenue reports and Commonwealth financial statements, which are issued pursuant to separate statutory authority. The net state tax revenue figure reported here applies only in the context of the 62F calculation for FY24.

**Report Highlights**

May 31, 2024	year-to-date net state tax revenue excluding 4% income surtax revenue:	35,232,730,865
	DOR's estimate of full year FY24 total net state tax revenue:	39,414,672,586
	DOR's estimate of FY24 allowable net state revenue:	44,130,782,381
	DOR's estimate of the amount by which net state tax revenue will be above(below) allowable state tax revenue:	(4,716,109,795)

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  
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  
John Caljouw, 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 2024 Net State Tax Revenue and Allowable State Tax Revenue  
as Defined by Chapter 62F  
May 2024 Monthly 62F Report

### Year-to-Date Net State Tax Revenue

Year-to-date net state tax revenue for FY24, less 4% income surtax revenue as of	May 31, 2024	<sup>(1)(2)</sup> (Exhibit 1)	\$35,232,730,865
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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 FY24, less 4% income surtax revenue	<sup>(1)(2)</sup> (Exhibit 4)	\$39,414,672,586
Allowable state tax revenue for FY23	(Exhibit 3)	\$41,160,988,265
Estimate of allowable state tax revenue growth factor for FY24	(Exhibit 2)	1.0721507
Estimate of allowable state tax revenue for FY24	(Exhibit 3)	\$44,130,782,381
Estimate of the amount net state tax revenue will be above/(below) allowable state tax revenue for the FY24	<sup>(3)</sup> (Exhibit 4)	<u><u>(\$4,716,109,795)</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) For the purposes of this report, year-to-date FY24 revenue and the full fiscal year estimate of FY24 revenue have been reduced by the amount of the 62F payments made in FY24 as a result of the 62F process. Chapter 62F provides that, to determine whether net state tax revenues have exceeded allowable state tax revenues in a fiscal year, net state tax revenues must be "decreased by the amount of state tax revenues abated or refunded." G.L. c. 62F, § 2. In FY24, the application of this statutory requirement results in a net state tax revenue figure that differs from FY24 revenue totals reported in other revenue reports and Commonwealth financial statements, which are issued pursuant to separate statutory authority. The net state tax revenue figure reported here applies only in the context of the 62F calculation for FY24.

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.

**Exhibit 1**  
**DOR Report: Fiscal Year-to-Date Net State Tax Revenues**  
*May 2024 Monthly 62F Report*

Type of State Tax Revenue Collected (By Agency)	Fiscal YTD Net State Tax Revenues as of 5/31/2024
<b>Department of Revenue:</b>	
Alcoholic Beverages	88,874,633
Financial Institutions	12,326,388
Cigarettes	310,976,049
Corporations	3,505,768,535
Deeds	178,009,672
Estate and Inheritance	473,702,968
Income	21,591,987,132
Insurance	436,985,788
Motor Fuels and International Fuel Tax Agreement	650,235,310
Public Utilities	-570,000
Room Occupancy	393,068,215
Sales and Use	8,603,888,271
Club Alcoholic Beverages	825,106
Motor Vehicle Excise	664,466
Convention Center Surcharges	16,381,045
Community Preservation Trust	36,567,304
Controlled Substances and Marijuana Excise	152,828,144
Satellite	4,337,236
Statewide Car Rental	5,407,182
Electronic Nicotine Delivery System	13,597,356
<b>Department of Revenue Before the Reduction of 62F Payments</b>	<b>36,475,860,798</b>
Pari-Mutual Taxes	796,384
Gaming Revenue Tax	396,641,948
<b>Lottery Commission:</b>	
Beano	401,290
Raffles and Bazaars	835,342
<b>State Athletic Commission</b>	
Boxing Contests	421,583
Boxer's Fund	86,906
<b>Division of Insurance</b>	
Excess and Surplus Lines Insurance	103,737,932
<b>Secretary of State:</b>	
Deeds Excise Stamp Tax Fees	71,186,951
<b>Department of Unemployment Assistance:</b>	
Workforce Training Contribution	26,123,358
<b>Other Agencies Sub-Total</b>	<b>600,231,694</b>
<b>Total Net State Tax Revenue Before the Reduction of 62F Payments</b>	<b>37,076,092,492</b>
<b>Less:</b>	
62F Payments made in FY24 <sup>(1)</sup>	(4,421,111)
Estimate of 4% Income Surtax Revenues <sup>(2) (3)</sup>	(1,838,940,516)
<b>Total Net State Tax Revenue Less the Estimate of 4% Income Surtax Revenue</b>	<b>35,232,730,865</b>

1) For the purposes of this report, year-to-date FY24 revenue and the full fiscal year estimate of FY24 revenue have been reduced by the amount of the 62F payments made in FY24 as a result of the 62F process. Chapter 62F provides that, to determine whether net state tax revenues have exceeded allowable state tax revenues in a fiscal year, net state tax revenues must be "decreased by the amount of state tax revenues abated or refunded." G.L. c. 62F, § 2. In FY24, the application of this statutory requirement results in a net state tax revenue figure that differs from FY24 revenue totals reported in other revenue reports and Commonwealth financial statements, which are issued pursuant to separate statutory authority. The net state tax revenue figure reported here applies only in the context of the 62F calculation for FY24.

2) 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. Based on available data, DOR certified that tax revenues estimated to have been collected from the additional 4% income tax was \$1,838,940,516 during the period between July 1, 2023 and April 30, 2024. 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, 2024**  
*May 2024 Monthly 62F Report*

Calendar Year	Massachusetts Wages and Salaries <sup>(1)</sup> (in Thousands)	Wages and Salaries Yearly Growth Rate <sup>(2)</sup>
2020 Actual	\$279,587,061	
2021 Actual	\$312,471,740	1.1176187
2022 Actual	\$333,155,998	1.0661956
2023 Actual	\$344,029,483	1.0326378
<b>Estimate of the Sum of 2021 - 2023 calendar year growth increase</b>		<b>3.2164521</b>
<b>Estimate of the allowable state tax growth factor for FY24<sup>(3)</sup></b>		<b>1.0721507</b>

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, 2024**  
*May 2024 Monthly 62F Report*

Allowable state tax revenue for the FY23 <sup>(1)</sup>	\$41,160,988,265
Allowable state tax growth factor for FY24	1.0721507
Allowable state tax revenue for FY24	<u>\$44,130,782,381</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**

**of Net State Tax Revenue for Current Fiscal Year and if Net State Tax Revenue Will Exceed Allowable State Tax Revenue for the Current Fiscal Year**  
*May 2024 Monthly 62F Report*

<b>Fiscal Year-to-Date of Net State Tax Revenues</b>		<b>DOR Estimate of Year-to-Date Net State Tax Revenue for the Remainder of Fiscal Year 2024</b>	
<b>Type of State Tax Revenue Collected (By Agency)</b>	<b>Fiscal YTD Net State Tax Revenues as of 5/31/2024</b>	<b>Fiscal YTD Net State Tax Revenues as of 5/31/2024</b>	<b>Jun-24</b>
<b>Department of Revenue:</b>			
Alcoholic Beverages	88,874,633		97,724,046
Financial Institutions	12,326,388		16,317,463
Cigarettes	310,976,049		340,067,307
Corporations	3,505,768,535		4,325,104,765
Deeds	178,009,672		206,381,669
Estate and Inheritance	473,702,968		577,522,410
Income	21,591,987,132		23,963,265,124
Insurance	436,985,788		532,285,966
Motor Fuels and International Fuel Tax Agreement	650,235,310		715,496,245
Public Utilities	-570,000		-543,371
Room Occupancy	393,068,215		401,577,136
Sales and Use	8,603,888,271		9,445,887,411
Club Alcoholic Beverages	825,106		898,787
Motor Vehicle Excise	664,466		719,960
Convention Center Surcharges	16,381,045		16,573,168
Community Preservation Trust	36,567,304		43,151,901
Controlled Substances and Marijuana Excise	152,828,144		177,301,198
Satellite	4,337,236		4,822,915
Statewide Car Rental	5,407,182		6,354,560
Electronic Nicotine Delivery System	13,597,356		15,373,486
<b>Department of Revenue Before the Reduction of 62F Payments</b>	<b>36,475,860,798</b>		<b>40,886,282,145</b>
<b>Massachusetts Gaming Commission:</b>			
Pari-Mutuel Taxes	796,384		909,705
Gaming Revenue Tax	396,641,948		467,271,745
<b>Lottery Commission:</b>			
Beano	401,290		439,742
Raffles and Bazaars	835,342		927,804
<b>State Athletic Commission</b>			
Boxing Contests	421,583		421,583
Boxer's Fund	86,906		86,906
<b>Division of Insurance</b>			
Excess and Surplus Lines Insurance	103,737,932		104,663,155
<b>Secretary of State:</b>			
Deeds Excise Stamp Tax Fees	71,186,951		87,687,260
<b>Department of Unemployment Assistance:</b>			
Workforce Training Contribution	26,123,358		26,417,687
<b>Other Agencies Sub-Total</b>	<b>600,231,694</b>		<b>688,825,588</b>
<b>Total Net State Tax Revenue Before the Reduction of 62F Payments</b>	<b>37,076,092,492</b>		<b>41,575,107,733</b>
<b>Less:</b>			
62F Payments made in FY24 <sup>(1)</sup>	(4,421,111)		(4,421,111)
Estimate of 4% Income Surtax Revenues <sup>(2)(3)</sup>	(1,838,940,516)		(2,156,014,036)
<b>Total Net State Tax Revenue Less the Estimate of 4% Income Surtax Revenue</b>	<b>35,232,730,865</b>		<b>39,414,672,586</b>
<b>Estimate of Allowable State Tax Revenues for the Fiscal Year Ended June 30, 2024</b>	<b>44,130,782,381</b>		<b>44,130,782,381</b>
<b>Net State Tax Revenues above/(below) of Allowable State Tax Revenues<sup>(4)</sup></b>	<b>(8,898,051,517)</b>		<b>(4,716,109,795)</b>

1) For the purposes of this report, year-to-date FY24 revenue and the full fiscal year estimate of FY24 revenue have been reduced by the amount of the 62F payments made in FY24 as a result of the 62F process. Chapter 62F provides that, to determine whether net state tax revenues have exceeded allowable state tax revenues in a fiscal year, net state tax revenues must be "decreased by the amount of state tax revenues abated or refunded." G.L. c. 62F, § 2. In FY24, the application of this statutory requirement results in a net state tax revenue figure that differs from FY24 revenue totals reported in other revenue reports and Commonwealth financial statements, which are issued pursuant to separate statutory authority. The net state tax revenue figure reported here applies only in the context of the 62F calculation for FY24.

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4) 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.