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November 15, 2019

Secretary Michael Heffernan
Executive Office for Administration and Finance
State House, Room 373
Boston, MA 02133

Secretary Stephanie Pollack
Massachusetts Department of Transportation
10 Park Plaza, Room 3170
Boston, Massachusetts, 02116

RE: November, 2019 Certification of MBTA Dedicated Sales Tax Revenues for the Fiscal
Year Ending June 30, 2020

Pursuant to Subsection (b) of Section 35T of Chapter 10 the Massachusetts General Laws, I certify, after consultation with the Commissioner of Revenue, that the projected dedicated sales tax revenue amount for fiscal year 2020 is \$1,114,192,000, which includes an additional \$160,000,000 as a result of Section 4 of Chapter 359 of the Acts of 2014. As certified on March 1, 2019, the base revenue amount for fiscal year 2020 is \$1,063,029,578.

The projected dedicated sales tax revenue amount represents the amount of, "all monies received by the commonwealth equal to 1 per cent of the gross receipts of a sale as defined in chapter 64H and 1 per cent of the sales price of a purchase as defined by chapter 64I from that portion of the taxes imposed under said chapters 64H and 64I as excises upon the sale and use at retail of tangible property or services, and upon the storage, use or other consumption of tangible property or services, including interest thereon and penalties plus the amount of \$160,000,000 but not including any portion of the taxes imposed on the sale of meals as defined in paragraph (h) of section 6 of said chapter 64H." See Section 4 of Chapter 359 of the Acts of 2014. The calculation of sales and meals taxes dedicated to the MBTA is net of refunds, abatements, and amounts set aside under Paragraph (b) of Section 10 of Chapter 152 of the Acts of 1997 (the "Convention Center Portion").

The projected dedicated sales tax amount was calculated as follows:

	Fiscal Year 2020 March 15, 2019 Certification	Fiscal Year 2020 November 15, 2019 Certification	Change in Certifications
Projected sales and use tax collections, exclusive of meals tax... ..	\$ 5,779,711,396	\$ 5,963,700,000	\$ 183,988,604
Percentage due to the MBTA... ..	16.0% ⁽¹⁾	16.0% ⁽¹⁾	-
Projected dedicated sales tax revenue for FY2020... ..	924,753,823	954,192,000	29,438,177
Additional sales tax revenue dedicated per Section 4 of Chapter 359 of the Acts of 2014... ..	160,000,000	160,000,000	-
Total projected dedicated sales tax revenue for FY2020... ..	<u>\$ 1,084,753,823</u>	<u>\$ 1,114,192,000</u>	<u>\$ 29,438,177</u>
Base revenue amount as certified on March 1, 2019	<u>\$ 1,063,029,578</u>	<u>\$ 1,063,029,578</u>	<u>\$ -</u>

⁽¹⁾ - 1 cent of the 6.25 cents per dollar sales tax is dedicated to the MBTA.

Any shortfall in dedicated sales tax revenue from the base revenue certified on March 1, 2019 will be made up by quarterly transfers from the General Fund, pursuant to Subsection (b) of Section 35T of Chapter 10 and the Memorandum of Understanding between the MBTA, the Treasurer's Office, the Executive Office of Administration and Finance, the Comptroller's Office and DOR.

Should you have any questions on the calculation of this amount, please feel free to contact Howard Merkowitz, Deputy Comptroller at (617) 973-2602 or me at (617) 973-2315.

Sincerely yours,

Andrew W. Maylor
Comptroller of the Commonwealth

Cc: Senator Michael Rodrigues, Chair, Senate Ways and Means
Representative Aaron Michlewitz, Chair, House Ways and Means
Deborah B. Goldberg, Treasurer and Receiver General
Christopher Harding, Commissioner of Revenue
David Bunker, House Ways and Means Budget Director
Chris Marino, Senate Ways and Means Budget Director