

MEMORANDUM

TO: Board of Directors, Massachusetts School Building Authority
FROM: John K. McCarthy
DATE: January 22, 2014
RE: Sales Tax Update

Attached, please find monthly tax collection statements and collection summary tables released by the Department of Revenue (“DOR”) for the months of November and December 2013.

The preliminary data provided by the DOR through December 2013 indicates that, on a cash basis, SMART collections for Fiscal Year 2014 through December total \$359.1 million, representing approximately 6.7% actual growth from Fiscal Year 2013 collections through the same period.

As of January 14, 2014 the Commonwealth’s Fiscal Year 2014 estimate for SMART collections is \$728.3 million. The Fiscal Year 2014 SMART estimate represents approximately \$46.3 million (6.8%) projected growth over fiscal year 2013 actual SMART collections.

Additionally, on January 14, 2014, the Commonwealth’s Executive Office of Administration and Finance and the House and Senate Committees on Ways and Means announced consensus on the Fiscal Year 2015 tax revenue forecast, including an estimate of the Fiscal Year 2015 SMART collections. The Commonwealth’s Fiscal Year 2015 SMART estimate is \$771.5 million. The Fiscal Year 2015 estimate reflects a projected increase of \$43.2 million (5.9%) in SMART collections as compared to the current estimate for Fiscal Year 2014 collections.

Staff will continue to provide the Board with updates on fiscal year 2014 SMART collections, and any changes made by the Commonwealth to the fiscal year 2014 SMART estimate.