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November 1, 2023

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

Acting Secretary Monica G. Tibbits-Nutt
Massachusetts Department of Transportation
10 Park Plaza, Room 3170
Boston, Massachusetts, 02116

RE: November 2023 Certification of MBTA Dedicated Sales Tax Revenues for the Fiscal Year Ending June 30, 2024

Dear Secretary Gorzkowicz and Acting Secretary Tibbits-Nutt:

Pursuant to Subsection (b) of Section 35T of Chapter 10 the General Laws, this letter certifies the estimated MBTA dedicated sales tax revenue projected to be credited to the State and Local Contribution Fund. The MBTA is to receive the greater of either the base revenue or the dedicated sales tax revenue. This certification is made in consultation with the Department of Revenue (DOR), and is based on the revised Fiscal Year 2024 sales tax revenue estimate from DOR.

I certify that, based on DOR's October 2023 revised Fiscal Year 2024 sales tax revenue estimate, the projected dedicated sales tax revenue amount for Fiscal Year 2024 is \$1,463,488,000, which includes an additional \$160,000,000 as required by the definition of "Dedicated sales tax revenue amount" in Section 35T of Chapter 10 of the General Laws.

As certified on March 1, 2023, the base revenue amount for Fiscal Year 2024 is \$1,162,330,114.

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

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section 6 of said chapter 64H.” MGL c. 10, § 35T. 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 2024 March 1, 2023 Certification	Fiscal Year 2024 November 15, 2023 Certification	Change in Certifications
Projected sales and use tax collections, exclusive of meals tax.....	\$ 8,146,722,031	\$ 8,146,800,000	\$77,969
Percentage due to the MBTA.....	16.0% (1)	16.0% (1)	-
Projected dedicated sales tax revenue for FY2024.....	1,303,475,525	1,303,488,000	12,475
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 FY2024.....	<u>\$ 1,463,475,525</u>	<u>\$ 1,463,488,000</u>	<u>\$ 12,475</u>
Base revenue amount as certified on March 1, 2023.....	<u>\$1,162,330,114</u>	<u>\$1,162,330,114</u>	<u>\$ -</u>


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

As the dedicated sales tax revenue is projected to exceed the base revenue, no quarterly transfers are expected to be necessary from the General Fund pursuant to Subsection (b) of Section 35T of Chapter 10 of the General Laws and the Memorandum of Understanding between the MBTA, the Treasurer’s Office, the Executive Office of Administration and Finance, the Comptroller’s Office and Department of Revenue.

Should you have any questions, please feel free to contact Pauline Lieu, Assistant Comptroller & Chief Financial Reporting Officer, at Pauline.Lieu@mass.gov or (617) 973-2668 or me at William.McNamara@mass.gov or (617) 973-2315.

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Sincerely,

DocuSigned by:

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William McNamara
Comptroller of the Commonwealth

Cc: Senator Michael Rodrigues, Chair, Senate Ways and Means Committee
Representative Aaron Michlewitz, Chair, House Ways and Means, Committee
Aaron Carty, General Counsel, Senate Committee on Ways and Means
Brian Donahue, Budget Director, House Committee on Ways and Means
Deborah B. Goldberg, Treasurer and Receiver General, Office of the Treasurer
Geoffrey Snyder, Commissioner, Department of Revenue
Joe Pagliuca, Controller, Massachusetts Department of Transportation
Danielle Cerny, Chief of Staff, Executive Office for Administration and Finance
Martha Kwasnik, General Counsel, Executive Office for Administration and Finance
Brian Melanson, Director of Operations, Executive Office for Administration and Finance
Christopher Marino, Assistant Secretary for Budget, Executive Office for Administration and Finance
Amy Nable, General Counsel, Office of the Comptroller
Pauline Lieu, Assistant Comptroller & Chief Financial Reporting Officer, Office of the Comptroller
Tamia Buckingham, Deputy Financial Reporting Officer, Office of the Comptroller