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March 13, 2024

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

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

RE: March 2024 Certification of MBTA Dedicated Sales Tax Revenues for Fiscal Year 2025

Dear Secretary Gorzkowicz and Secretary Tibbits-Nutt:

Pursuant to M.G.L. c. 10, § 35T, this letter certifies for Fiscal Year 2025 the MBTA Dedicated Sales Tax Revenue. This certification was done in consultation with the Department of Revenue. The details of the calculation are in the table below.

Dedicated Sales Tax Revenues (projected): The projected dedicated sales tax revenue is the amount of “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 of services, including interest thereon or penalties plus commencing in fiscal year 2015, the amount of \$160,000,000 in each fiscal year thereafter 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.” Based on the most recent Fiscal Year 2025 consensus revenue estimate of \$41.502 billion, the dedicated sales tax revenue amount for Fiscal Year 2025 is projected to be \$1.465 billion, as calculated in the attachment.

Pursuant to the July 1, 2000 Memorandum of Understanding between the MBTA and state agencies including the Office of the Comptroller and M.G.L. c. 10, § 35T(b), the MBTA is to receive the greater of the dedicated sales tax or the base revenue amount. Based on the attached calculations, the Fiscal Year 2025 dedicated sales tax revenue is projected to exceed the base revenue amount in this certification by \$268,239,983.

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If you have any questions on the calculation of these amounts, please feel free to contact Chief Financial Reporting Officer Pauline Lieu at Pauline.Lieu@mass.gov or (617) 973-2668 or me at William.McNamara@mass.gov or (617) 973-2315.


Fiscal Year 2025 MBTA Calculation - Dedicated Sales Tax Revenue:

Calculation - Dedicated Sales Tax Revenue:

| | |
|--|------------------------------|
| Projected sales and use tax collections, exclusive of meals tax..... | \$ 8,159,000,000 |
| Percentage due to the MBTA*..... | <u>16.000%</u> |
| 16.000% of FY2025 sales and use tax collections, exclusive of meals tax..... | 1,305,440,000 |
| Plus \$160 million per M.G.L. Chapter 10, Section 35T..... | <u>160,000,000</u> |
| FY2025 projected dedicated sales tax revenue..... | 1,465,440,000 |
| FY2025 base revenue as certified on March 1, 2024..... | <u>1,197,200,017</u> |
| Difference, FY2025 dedicated minus base revenue..... | <u><u>\$ 268,239,983</u></u> |

* The sales tax rate is currently 6.25% for both regular sales and motor vehicles. Based on this tax rate, the MBTA dedicated percentage is 16.00% (1 cent of the 6.25 cents per dollar).

Sincerely yours,

DocuSigned by:

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William McNamara
Comptroller of the Commonwealth

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Cc: Senator Michael Rodrigues, Chair, Senate Committee on Ways and Means
Representative Aaron Michlewitz, Chair, House Committee on Ways and Means
Christopher Czepiel, Budget Director, 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 Bay Transit Authority
Mary Ann O’Hara, Chief Financial Officer, Massachusetts Bay Transit Authority
Danielle Cerny, Chief of Staff, Executive Office for Administration and Finance
Martha Kwasnik, General Counsel, Executive Office for Administration and Finance
Christopher Marino, Assistant Secretary for Budget, Executive Office for Administration and Finance
Brian Melanson, Director of Operations, Executive Office for Administration and Finance
Thomas Smith-Vaughan, Chief Operating Officer, Office of the Comptroller
Amy Nable, General Counsel / Assistant Comptroller, 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