



WILLIAM McNAMARA  
COMPTROLLER

# Commonwealth of Massachusetts

## OFFICE OF THE COMPTROLLER

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August 12, 2025

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

Honorable Aaron Michlewitz, Chair  
House Committee on Ways and Means  
State House, Room 243  
Boston, MA 02133

Honorable Michael J. Rodrigues, Chair  
Senate Committee on Ways and Means  
State House, Room 212  
Boston, MA 02133

RE: Fiscal Year 2025 Excess Capital Gains Tax Revenue Transfers to the Stabilization Fund, the State Retiree Benefits Trust Fund, and the Pension Liability Fund

Dear Secretary Gorzkowicz, Chair Michlewitz, and Chair Rodrigues:

[Section 5G of Chapter 29](#) of the Massachusetts General Laws, as amended, requires that capital gains tax revenue in excess of the fiscal year capital gains tax threshold be transferred as follows: (i) 90% to the Commonwealth Stabilization Fund; (ii) 5% to the State Retiree Benefits Trust Fund (SRBTF) and (iii) 5% to the Commonwealth’s Pension Liability Fund (PRIT). The Fiscal Year 2025 capital gains tax threshold is \$1,563,655,002. On June 17, 2025, the Commissioner of Revenue certified the Fiscal Year 2025 estimated revenue collected from capital gains income through Period 3. The amount certified was \$2,154,695,534.73. On June 23, 2025, I processed transfers to the three funds totaling \$591,040,532.73. The amounts transferred to each fund were as follows:

Commonwealth Stabilization Fund	\$531,936,479.45	90%
State Retiree Benefits Trust Fund (SRBTF)	\$29,552,026.64	5%
Commonwealth’s Pension Liability Fund (PRIT)	\$29,552,026.64	5%
Total	\$591,040,532.73	100%

Fiscal Year 2025 Capital Gains Tax Revenue Transfer to Stabilization Fund and Pension Funds  
August 12, 2025  
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On July 21, 2025, the Commissioner of Revenue certified the Fiscal Year 2025 estimated revenue collected from capital gains income through Period 4. The amount certified was \$2,439,571,818.62. This represents an increase of \$284,876,283.89 over the Period 3 certification.


On July 31, 2025, the Secretary for Administration and Finance notified this office that, pursuant to Section 224 of Chapter 140 of the Acts of 2024, he is directing the Comptroller to reduce Fiscal Year 2025 transfers attributable to capital gains income by \$375,000,000. To implement this directive, we made a partial reversal of the Period 3 transfer in the amount of \$90,123,716.11 on August 5, 2025. When combined with the Period 4 revenue of \$284,876,283.89, the total is \$375,000,000 as required under Section 224.

Fiscal Year 2025 capital gains income exceeding the threshold is \$875,916,816.62. After the Section 224 reduction of \$375,000,000 the net amount for transfer is \$500,916,816.62. As a result of the transactions described above, the net transfers for Fiscal Year 2025 are as follows:

From the General Fund to:	Amount	% of total
Commonwealth Stabilization Fund	\$450,825,134.96	90%
State Retiree Benefits Trust Fund (SRBTF)	\$25,045,840.83	5%
Commonwealth’s Pension Liability Fund (PRIT)	\$25,045,840.83	5%
Total	\$500,916,816.62	100%

If you have any questions regarding this letter, please contact Kristin Lacroix, Assistant Comptroller, at [kristinm.lacroix@mass.gov](mailto:kristinm.lacroix@mass.gov) or me at [william.Mcnamara@mass.gov](mailto:william.Mcnamara@mass.gov).

Sincerely,

DocuSigned by:  
  
408AB804EF29450...

William McNamara  
Comptroller of the Commonwealth

Attachments:

- Attachment #1: MGL Chapter 29, Section 5G (as amended by Section 19 of Chapter 28 of the Acts of 2023)
- Attachment #2: Capital Gains Tax Certification Letter from Commissioner of Revenue
- Attachment #3: FY25 Capital Gains Threshold Certification from Department of Revenue
- Attachment #4: 07.31.2025 Capital Gain Notification Letter to Ways and Means

Cc on the following page

Fiscal Year 2025 Capital Gains Tax Revenue Transfer to Stabilization Fund and Pension Funds

August 12, 2025

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cc: Danielle Cerny, Chief of Staff, Executive Office for Administration and Finance  
Christopher Marino, Assistant Secretary of Budget, Executive Office for Administration and Finance  
Martha Kwasnik, General Counsel, Executive Office for Administration and Finance  
Christopher Czepiel, Budget Director, Senate Committee on Ways and Means  
Brian Donahue, Budget Director, House Committee on Ways and Means  
Geoffrey E. Snyder, Commissioner, Department of Revenue  
Kazim Ozyurt, Director, Office of Tax Policy Analysis, Department of Revenue  
James MacDonald, First Deputy Treasurer, Office of the Treasurer and Receiver General  
Thomas Smith-Vaughan, Chief Operating Officer, Office of the Comptroller  
Pauline Lieu, Assistant Comptroller, Office of the Comptroller  
Amy Nable, General Counsel/Assistant Comptroller, Office of the Comptroller  
Minot Powers, Chief Financial Officer, Office of the Treasurer  
Kathryn Kougias, Executive Director, State Board of Retirement  
Alison Malone, Chief Financial Officer, Massachusetts Teachers' Retirement System

Fiscal Year 2025 Capital Gains Tax Revenue Transfer to Stabilization Fund and Pension Funds

August 12, 2025

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Attachment # 1: MGL Chapter 29, Section 5G

After each quarter, the department of revenue shall certify to the state comptroller the amount of tax revenues estimated to have been collected during the preceding quarter from capital gains income. If the department of revenue certifies that the amount of tax revenues estimated to have been collected from capital gains income exceeds \$1,000,000,000 in a fiscal year, the comptroller shall transfer quarterly any such amount that exceeds \$1,000,000,000 collected during that fiscal year as follows: (i) 90 per cent shall be transferred to the Commonwealth Stabilization Fund established in section 2H; (ii) 5 per cent shall be transferred to the State Retiree Benefits Trust Fund established in section 24 of chapter 32A; and (iii) 5 per cent shall be transferred to the Commonwealth's Pension Liability Fund established in subsection (e) of subdivision 8 of section 22 of chapter 32. The \$1,000,000,000 threshold established in the preceding sentence shall be adjusted annually to reflect the average annual rate of growth in United States gross domestic product over the preceding 5 years based on the most recently available data published by the Bureau of Economic Analysis in the United States Department of Commerce.

The transfers shall be made before the certification of the consolidated net surplus for the previous fiscal year under section 5C. The department of revenue shall report by November 30 to the state comptroller, the executive office for administration and finance and the house and senate committees on ways and means tax revenues estimated to have been collected during the preceding fiscal year from capital gains income. The comptroller shall not make adjustment to amounts previously transferred if the capital gains revenue reported on November 30 differs from the amounts estimated during the preceding fiscal year.

For the purposes of this section, income tax revenue collected from the additional 4 per cent income tax levied pursuant to Article XLIV of the Amendments to the Constitution of the Commonwealth shall not be considered to be tax revenue collected from capital gains income.



GEOFFREY E. SNYDER  
COMMISSIONER

*The Commonwealth of Massachusetts*  
*Department of Revenue*  
*Office of the Commissioner*  
*PO Box 7091*  
*Boston, MA 02204-7091*

July 21, 2025

William J. McNamara, Comptroller  
Office of the Comptroller  
Commonwealth of Massachusetts  
One Ashburton Place, Room 901  
Boston, MA 02108

Dear Comptroller McNamara:

Pursuant to Section 5G of Chapter 29 of the General Laws, the Department of Revenue (DOR) is required to certify to the State Comptroller, after each quarter during the fiscal year, the amount of tax revenue estimated to have been collected during the quarter from capital gain income.

Because capital gains tax payments are remitted unevenly throughout the fiscal year according to tax filing deadlines, to ensure accurate reporting DOR certifies capital gains tax collections on the following schedule:

Period 1 (July 1 through September 30)

Period 2 (October 1 through January 31)

Period 3 (February 1 through May 31)

Period 4 (June 1 through June 30)

The table below shows capital gains tax revenue estimates for each of the certification periods, and for the full fiscal year 2025.


**Capital Gains Tax Collections (\$)**

Period	Period total	Fiscal year-to-date total
Period 1 (July 1, 2024 through September 30, 2024)	\$311,917,746.43	\$311,917,746.43
Period 2 (October 1, 2024 through January 31, 2025)	\$553,432,498.52	\$865,350,244.95
Period 3 (February 1, 2025 through May 31, 2025)	\$1,308,795,977.03	\$2,174,146,221.98
Period 4 (June 1, 2025 through June 30, 2025)	\$265,425,596.64	\$2,439,571,818.62

Based on currently available data, DOR hereby certifies that tax revenue estimated to have been collected from capital gains income was \$265,425,596.64 during Period 4 of fiscal year 2025 (June 1, 2025 through June 30, 2025). The fiscal year 2025 full year tax revenue estimated to have been collected from capital gains income was \$2,439,571,818.62. The fiscal year 2025 full year tax revenue estimate of \$2,439,571,818.62 does not include an estimated \$1,254,548,524.48 in capital gains tax revenue collected from the 4% income surtax.<sup>1</sup> These figures are subject to revision as DOR receives and analyzes more tax data. Those changes will be reflected in the November 2025 final report of fiscal year 2025 tax revenue from capital gains income.

If you have any questions concerning this letter, please contact Kazim P. Ozyurt, Director of the Office of Tax Analysis ([ozyurtk@dor.state.ma.us](mailto:ozyurtk@dor.state.ma.us)).

Sincerely,

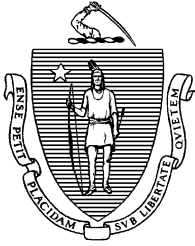
A handwritten signature in black ink, appearing to read "Geoffrey E. Snyder", with a stylized flourish at the end.

Geoffrey E. Snyder  
Commissioner

cc: Secretary Matthew J. Gorzkowicz, Executive Office for Administration and Finance  
The Honorable Michael J. Rodrigues, Chair, Senate Committee on Ways and Means  
The Honorable Aaron Michlewitz, Chair, House Committee on Ways and Means

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<sup>1</sup> Pursuant to section 17 of the [FY2024 Final Budget \(https://malegislature.gov/Budget/FY2024/FinalBudget\)](https://malegislature.gov/Budget/FY2024/FinalBudget), revenue from this tax collected and deposited into the Education and Transportation Fund shall not be considered tax revenue collected from capital gains income for the purposes of G.L. c. 29, s. 5G. The commissioner of revenue shall estimate, in the capital gains tax certification in the fourth quarter of the fiscal year, the amount of revenue to exclude from the section 5G calculation; provided, however, that this estimate shall be final.



Geoffrey E. Snyder  
Commissioner

*The Commonwealth of Massachusetts*  
*Department of Revenue*  
*Office of the Commissioner*  
*P.O. Box 9550*  
*Boston, MA 02114-9550*

December 29, 2023

Mr. William J. McNamara  
Comptroller  
Commonwealth of Massachusetts  
1 Ashburton Place, 9th Floor  
Boston, MA 02108

Dear Mr. McNamara:

Pursuant to Section 5G of Chapter 29 of the Massachusetts General Laws<sup>1</sup>, and based on the procedure agreed upon by the Secretary of Administration and Finance and the Chairs of the House and Senate Committees on Ways and Means, the Department of Revenue (DOR) hereby certifies that, for the purpose of determining the amount of capital gains that will be transferred to the Commonwealth Stabilization Fund, the fiscal year 2025 capital gains tax collections threshold is \$1,563,655,002. Any fiscal year 2025 capital gains tax collections above that threshold, as certified by DOR, will be transferred to various funds as follows: 90% to the Commonwealth Stabilization Fund; 5% to the State Retiree Benefits Trust Fund; and 5% to the Commonwealth's Pension Liability Fund. Please see attached table for our calculations.

If you have any questions concerning this letter, please contact me (snyderge@dor.state.ma.us), or Kazim P. Ozyurt, Director of the Office of Tax Analysis (ozyurtk@dor.state.ma.us).

Sincerely,

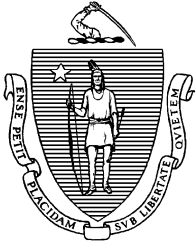
A handwritten signature in dark ink, appearing to read "G. Snyder".

Geoffrey E. Snyder  
Commissioner

cc: Secretary Matthew Gorzkowicz, Executive Office for Administration and Finance  
The Honorable Michael J. Rodrigues, Chair, Senate Committee on Ways and Means  
The Honorable Aaron Michlewitz, Chair, House Committee on Ways and Means

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<sup>1</sup> <http://www.malegislature.gov/Laws/GeneralLaws/PartI/TitleIII/Chapter29/Section5G>



Geoffrey E. Snyder  
Commissioner

*The Commonwealth of Massachusetts*  
*Department of Revenue*  
*Office of the Commissioner*  
*P.O. Box 9550*  
*Boston, MA 02114-9550*

**Calculation of Fiscal Year 2025 Capital Gains Tax Threshold:**

**Nominal U.S. gross domestic product (GDP) for the period five years prior to the current period.** GDP (\*) figures for the four quarters ending in the third quarter of 2018 (\*\*)

2017: Quarter 4	20,037
2018: Quarter 1	20,329
2018: Quarter 2	20,581
2018: Quarter 3	20,799

**Average GDP five years ago: 20,436 A**

**Nominal U.S. gross domestic product (GDP) for the current period.** Most recently available GDP (\*) figures for the four quarters ending in the third quarter of 2023 (\*\*)

2022: Quarter 4	26,408
2023: Quarter 1	26,814
2023: Quarter 2	27,063
2023: Quarter 3	27,610

**Average current GDP: 26,974 B**

**Compound annual growth rate (CAGR)(\*\*\*): 5.7079829% C =  $[(B / A)^{(1/5)}] - 1$**

**Fiscal Year 2024 Capital Gains Tax Threshold: \$1,479,221,303 D**

**1+ Compound annual growth rate (CAGR): 105.7079829% E=(1+C)**

**Fiscal Year 2025 Capital Gains Tax Threshold: \$1,563,655,002 F=D\*E**

(\*) U.S. Gross Domestic Product figures are seasonally adjusted at annual rates and in billions of current dollars.

[www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm](http://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm)

(\*\*) The 4th quarter of 2023 GDP figure is not available at the time when these calculations are conducted. The 3rd quarter of 2023 U.S. GDP figure ("third" estimate) was released by the Bureau of Economic Analysis on December 21, 2023.

(\*\*\*)  $Compound\ annual\ growth\ rate\ (CAGR) = [(Average\ current\ GDP / Average\ GDP\ five\ years\ ago) to\ the\ power\ (1/5)] - 1$





Executive Office for Administration & Finance

**COMMONWEALTH OF MASSACHUSETTS**

STATE HOUSE • BOSTON, MA 02133

(617) 727-2040

**MAURA T. HEALEY**

GOVERNOR

**KIMBERLEY DRISCOLL**

LIEUTENANT GOVERNOR

**MATTHEW J. GORZKOWICZ**

SECRETARY

July 31, 2025

The Honorable Michael J. Rodrigues, Chairman  
Senate Committee on Ways and Means  
State House, Room 212  
Boston, Massachusetts 02133

The Honorable Aaron Michlewitz, Chairman  
House Committee on Ways and Means  
State House, Room 243  
Boston, Massachusetts 02133

Dear Chairmen Rodrigues and Michlewitz:

In accordance with section 224 of chapter 140 of the acts of 2024, I am submitting my determination that \$375,000,000 in reduced capital gains transfers pursuant to section 5G of chapter 29 of the General Laws will be necessary to balance the budget in Fiscal Year 2025. Following this notice, I shall direct the Comptroller to reduce said transfers.

If your staff have any questions regarding this determination, they should feel free to contact Chris Marino in my office.

Sincerely,

A handwritten signature in blue ink, appearing to read "Matthew J. Gorzkowicz".

Matthew J. Gorzkowicz, Secretary  
Administration and Finance