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February 28, 2025

Secretary Matthew J. 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 2025 Certification of MBTA Base Sales Tax Revenues for Fiscal Year 2026

Dear Secretary Gorzkowicz and Secretary Tibbits-Nutt:

Pursuant to M.G.L. c. 10, § 35T, this letter certifies for Fiscal Year 2026 the MBTA Base Sales Tax Revenue. This certification was done in consultation with the Department of Revenue. The details of the calculations are shown in the table below.

Base Sales Tax Revenue: The base revenue amount for Fiscal Year 2026 is calculated by multiplying the base revenue amount for the prior fiscal year by the change in the calendar year 2024 consumer price index for all urban consumers for the Boston metropolitan area as determined by the Bureau of Labor Statistics of the United States Department of Labor. This figure is then compared to the percent increase in gross sales tax revenues received pursuant to M.G.L. c. 64H and M.G.L. c. 64I for the same period. The calendar year 2024 "gross sales tax revenues" is defined as sales tax receipts by taxpayers from nonexempt sales, less amounts abated, refunded, or reimbursed.

Pursuant to Section 35T, if the calendar year 2024 inflation rate is greater than 3.000%, the Fiscal Year 2026 base revenue will be 3.000%, regardless of the increase in calendar year 2024 gross sales tax revenue. The calendar year 2024 inflation rate was 3.178%; therefore, the base sales tax revenue growth rate for Fiscal Year 2026 is 3.000%. The table on the next page presents the calculation of the base revenue amount.

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I certify to you that the base sales tax revenue amount for **Fiscal Year 2026 increased by an amount of \$35,916,001, or 3.000% compared to the Fiscal Year 2025 figure of \$1,197,200,017. The base revenue amount for Fiscal Year 2026 is \$1,233,116,018.**

Should 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) 352-8239 or me at William.McNamara@mass.gov or (617) 973-2315.

Fiscal Year 2026 MBTA Base Sales Tax Revenue Calculations:

Calculation - Base Revenue:

| | |
|--|-------------------------|
| Change in inflation index for the Boston metropolitan area for calendar year 2024 (annualized, non-seasonally adjusted)..... | 3.178% |
| Growth in gross sales tax revenue, for calendar year 2024..... | 1.880% |
| Allowable base revenue growth..... | 3.000% |
| Current fiscal year's base revenue (FY2025)..... | \$ 1,197,200,017 |
| Growth factor..... | <u>3.000%</u> |
| Upcoming fiscal year's base revenue (FY2026)..... | <u>\$ 1,233,116,018</u> |

Sincerely yours,

DocuSigned by:

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William McNamara
Comptroller of the Commonwealth

Attachment: Calculation of Fiscal Year 2026 Base Sales Tax Revenue

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cc: Senator Michael Rodrigues, Chair, Senate Ways and Means Committee
Representative Aaron Michlewitz, Chair, House Ways and Means, Committee
Michael D. Hurley, Senate Clerk, Office of the Clerk of the Senate
Timothy Carroll, House Clerk, Office of the Clerk of the House
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
Brian Melanson, Director of Operations, Executive Office for Administration and Finance
Christopher Marino, Assistant Secretary for Budget, Executive Office for Administration and Finance
Thomas Smith-Vaughan., Chief Operating Officer, Office of the Comptroller
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