



Commonwealth of Massachusetts

OFFICE OF THE COMPTROLLER

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WILLIAM McNAMARA
COMPTROLLER

January 10, 2025

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

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

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

Dear Secretary Gorzkowicz, Chair Michlewitz, and Chair Rodrigues:

For Fiscal Year 2024 as in prior years, my office transferred funds from the General Fund to the Stabilization Fund, the State Retiree Benefits Trust Fund (SRBTF), and the Pension Liability Fund (PRIT), based on Department of Revenue estimates of capital gains tax revenue in excess of the threshold.

As you know, Chapter 248 of the Acts of 2024 (the "closeout supp") changed the Fiscal Year 2024 disposition of the excess capital gains revenue. To provide a complete view, I have included in this letter information on both the regular series of transfers and the changes resulting from the closeout supp.

1) Transfers into the Stabilization Fund for Fiscal Year 2024 Capital Gains Tax Revenue

[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). For reference, the Fiscal Year 2024 capital gains tax threshold is \$1,479,221,303.

On September 30, 2024, I processed transfers to the three funds totaling \$202,761,708.00 pursuant to FY2024 capital gains tax estimates as certified by DOR on July 24, 2024. The amounts transferred to each fund were as follows:

From the General Fund to:	Period 4 Transfer	% of Total
Commonwealth Stabilization Fund	\$182,485,537.20	90%
State Retiree Benefits Trust Fund (SRBTF)	\$10,138,085.40	5%
Commonwealth’s Pension Liability Fund (PRIT)	\$10,138,085.40	5%
Total	\$202,761,708.00	100%

Including the Fiscal Year 2024 transfers made earlier, the total amount of total of Fiscal Year 2024 transfers of capital gains revenue were as follows:

From the General Fund to:	Total FY 24 Transfers	% of Total
Commonwealth Stabilization Fund	\$531,754,563.60	90%
State Retiree Benefits Trust Fund (SRBTF)	\$29,541,920.20	5%
Commonwealth’s Pension Liability Fund (PRIT)	\$29,541,920.20	5%
Total	\$590,838,404.00	100%

2) Changes pursuant to Chapter 248 of the Acts of 2024

On December 4, 2024, the Governor signed into law [Chapter 248 of the Acts of 2024](#). Section 142 of Chapter 248 changes the Fiscal Year 2024 disposition of the excess capital gains revenue. Specifically, section 142 reduces the Stabilization Fund transfer to 5%. Eighty-five percent of the Fiscal Year 2024 capital gains received in excess of the threshold is not transferred and remains in the General Fund.


Because the Fiscal Year 2024 transfers had been completed, this required a reversal transaction. The table below recaps the activities and resulting disposition of capital gains tax revenue in excess of the threshold:

	Total Chapter 29 Transfers In	Transaction under Chapter 248	Resulting Net Figures	Net %
Commonwealth Stabilization Fund	\$531,754,563.60	-\$502,212,643.40	\$29,541,920.20	5%
State Retiree Benefits Trust Fund (SRBTF)	\$29,541,920.20	\$0.00	\$29,541,920.20	5%
Pension Liability Fund (PRIT)	\$29,541,920.20	\$0.00	\$29,541,920.20	5%
General Fund	n/a*	+\$502,212,643.40	\$502,212,643.40	85%
Total & Net Amounts	\$590,838,404.00	\$0.00	\$590,838,404.00	100%

* n/a: The Chapter 29 transfers into the Stabilization, SRBTF, and PRIT come from the General Fund, but for purposes of this analysis, it is clearer to show the n/a.

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

Sincerely,

DocuSigned by:

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William McNamara
Comptroller of the Commonwealth

Attachment: FY24 Period 4 Capitals Gains Estimate from Department of Revenue

- cc: Danielle Cerny, Chief of Staff, Executive Office for Administration & Finance
Christopher Marino, Assistant Secretary of Budget, Executive Office for Administration & Finance
Martha Kwasnik, General Counsel, Executive Office for Administration & Finance
Brian Melanson, Director of Operations, Executive Office for Administration & 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
Minot Powers, Assistant Treasurer & Chief Financial Officer, Office of the Treasurer and Receiver General
Thomas Smith-Vaughan, Chief Operating Officer, Office of the Comptroller
Kristin Lacroix, Chief Accounting Officer/Assistant Comptroller, Office of the Comptroller
Pauline Lieu, Assistant Comptroller, Office of the Comptroller
Amy Nable, General Counsel/Assistant Comptroller, Office of the Comptroller



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

GEOFFREY E. SNYDER
 COMMISSIONER

July 24, 2024

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 2024.

Capital Gains Tax Collections (\$)

Period	Period total	Fiscal year-to-date total
Period 1 (July 1, 2023 through September 30, 2023)	\$318,268,769	\$318,268,769
Period 2 (October 1, 2023 through January 31, 2024)	\$522,774,583	\$841,043,352
Period 3 (February 1, 2024 through May 31, 2024)	\$1,008,866,927	\$1,849,910,279
Period 3 (June 1, 2024 through June 30, 2024)	\$220,149,428	\$2,070,059,707

Based on currently available data, DOR hereby certifies that tax revenue estimated to have been collected from capital gains income was \$220,149,428 during Period 4 of FY2024 (June 1, 2024 through June 30, 2024). The fiscal year 2024 full year tax revenue estimated to have been collected from capital gains income was \$2,070,059,707. The fiscal year 2024 full year tax estimate of \$2,070,059,707 does not include an estimated \$923,718,701 in capital gains tax revenue collected from the 4% income surtax.¹ These figures are subject to revision as DOR receives and analyzes more tax data. Those changes will be reflected in the November 2024 final report of fiscal year 2024 tax revenue from capital gains income.

Under Section 5G of Chapter 29 of the General Laws, the amount of certified capital gains tax revenue collections over a defined threshold, which was previously set at \$1,479,221,303 for FY24, is 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.

This capital gains tax certification letter shall generate a transfer of approximately \$590,838,404 to the aforementioned funds as follows under Section 5G of Chapter 29 of the General Laws:

- 90% (\$531,754,564) shall be transferred into the Commonwealth Stabilization Fund;
- 5% (\$29,541,920) shall be transferred into the State Retiree Benefits Trust Fund; and
- 5% (\$29,541,920) shall be transferred into the Commonwealth's Pension Liability Fund.

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).

Sincerely,



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

¹ Pursuant to section 17 of the <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.