



Commonwealth of Massachusetts

OFFICE OF THE COMPTROLLER

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THOMAS G. SHACK III, ESQ.
COMPTROLLER

March 1, 2016

Secretary Kristen Lepore
Executive Office for Administration and Finance
State House, Room 373
Boston, MA 02133

Secretary Stephanie Pollack
Massachusetts Department of Transportation
10 Park Plaza, Room 3170
Boston, Massachusetts, 02116

RE: March, 2016 Certification of MBTA Base Sales Tax Revenues for FY2017

Dear Secretary Lepore and Secretary Pollack:

Pursuant to Massachusetts General Laws Chapter 10, Section 35T, this letter certifies for FY2017 the MBTA Base Sales Tax Revenue. This certification was done in consultation with the Department of Revenue. The details of the calculation are shown on the accompanying attachment.

Base Sales Tax Revenue Amount: The base revenue amount for fiscal 2017 is calculated by comparing the change in the calendar year 2015 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 to the per cent increase in gross sales tax revenues received pursuant to Massachusetts General Laws chapters 64H and 64I for the same period. The calendar year 2015 "gross sales tax revenues" is defined as sales tax receipts by taxpayers from nonexempt sales, less amounts abated, refunded, or reimbursed. The Attachment presents calculation of the base revenue amount. The percentage increase in base sales tax revenue is the lower of the percent increase in gross sales tax revenues or the inflation rate.

I certify to you that the base revenue amount for **fiscal 2017 increased by an amount of \$5,917,645 compared to the FY 2016 figure of \$986,274,139 due to the inflation rate of 0.600%. The base revenue amount for FY 2017 is \$992,191,784.**

Should you have any questions on the calculation of this amount, please feel free to call me or Howard Merkowitz, Deputy Comptroller.

Sincerely yours,

Thomas G. Shack III
Comptroller of the Commonwealth

Cc: Senator Karen Spilka, Chairwoman, Senate Ways and Means
Representative Brian Dempsey, Chairman, House Ways and Means
Deborah B. Goldberg, Treasurer and Receiver General
Mark Nunnally, Commissioner of Revenue
Adriana Campos, Senate Ways and Means Budget Director
Kathryn Kendall, House Ways and Means Budget Director

FISCAL YEAR 2017 MBTA BASE REVENUE CALCULATION

Calculation: FY2017 Base Revenue

The base revenue amount was calculated as follows:

Change in inflation index for the Boston metropolitan area for calendar 2015 (annualized, non-seasonally adjusted)	0.600%
Growth in gross sales tax revenues , from calendar 2015	5.790%
Allowable base revenue growth (lesser of sales tax growth or inflation, but not greater than 3%)	0.600%
Current year's base revenue (FY 2016)	\$986,274,139
Growth Factor	0.600%
Upcoming year's base revenue (FY 2017)	<u>\$992,191,784</u>