

The Commonwealth of Massachusetts
Office of the Comptroller
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April 1, 2013

Secretary Glen Shor
Executive Office of Administration and Finance
State House, Room 373
Boston, MA02133

Secretary Richard A. Davey
Massachusetts Department of Transportation
10 Park Plaza, Room 3170
Boston, Massachusetts, 02116

RE: April 2013 Certification of MBTA Dedicated Sales Tax Revenues for the Fiscal Year Ending June 30, 2013

Dear Secretary Shor and Secretary Davey:

Pursuant to Massachusetts General Laws (MGL) Chapter 10, Section 35T, paragraph b, I certify, after consultation with the Commissioner of Revenue, that the projected dedicated sales tax revenue amount for fiscal 2013 is projected to be \$682,303,902.

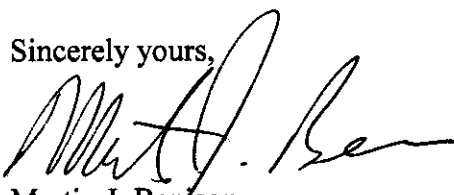
The projected dedicated sales tax revenue amount is the amount of "monies received by the Commonwealth equal to one percent of the gross receipts of a sale as defined by the provisions of MGL chapter 64H and one percent of the sales price of a purchase as defined by the provisions of chapter 64I from that portion of the taxes imposed under the provisions of said chapters 64H and 64I as excises upon the sale and use at retail of tangible property or of services, and upon the storage, use or other consumption of tangible property or of services, including interest thereon or penalties but not including any portion of such taxes imposed on the sale of meals as defined in paragraph (h) of section 6 of chapter 64H." The calculation of sales and meals taxes dedicated to the MBTA is net of refunds, abatements, and amounts set aside under paragraph (b) of section 10 of chapter 152 of the acts of 1997 (the "Convention Center Portion").

The projected dedicated sales tax amount was calculated as follows:

	Fiscal Year 2013 March 1, 2012 <u>Certification</u>	Fiscal Year 2013 November 15, 2012 <u>Certification</u>	Fiscal Year 2013 April 2, 2013 <u>Certification</u>	Change from November 15, 2012 <u>Certification</u>
Projected Sales and Use Tax Collections, Exclusive of Meals Tax	\$4,308,784,191	\$4,389,399,446	\$4,264,399,387	\$125,000,059
Percentage due to the MBTA(*)	<u>x16.0%^(*)</u>	<u>x16.0%^(*)</u>	<u>x16.0%^(*)</u>	<u>x16.0%^(*)</u>
Projected Dedicated Sales Tax Revenue for FY 2013	<u>\$689,405,471</u>	<u>\$702,303,911</u>	<u>\$682,303,902</u>	<u>\$0</u>
FY 2013 Base Revenue as Certified on March 1, 2012	<u>\$786,866,936</u>	<u>\$786,866,936</u>	<u>\$786,866,936</u>	<u>\$20,000,009</u>

(*) As of August 1, 2009 the sales tax rate was increased from 5% to 6.25% for both regular sales and motor vehicle sales. Based on this new sales tax rate, the MBTA dedication percentage is now 16.00% (1 cent of 6.25 cents per dollar) as compared to the prior dedication percentage of 20% (1 cent of 5 cents per dollar)

Any shortfall in dedicated sales tax revenue from the base revenue certified on March 1, 2012 will be made up by quarterly transfers from the General Fund, pursuant to Chapter 10, Section 35T(b) and the Memorandum of Understanding between the MBTA, the Treasurer's Office, the Executive Office of Administration and Finance, the Comptroller's Office and DOR. Should you have any questions about the calculation of the dedicated sales tax revenue, please feel free to call me or Howard Merkwitz, Deputy Comptroller.

Sincerely yours,

 Martin J. Benison
 Comptroller

- Cc: Senator Stephen Brewer, Chairman Senate Ways and Means
 Representative Brian Dempsey, Chairman House Ways and Means
 Steven Grossman, Treasurer and Receiver – General, TRE
 Amy Pitter, Commissioner of Revenue
 Douglas Howgate, Senate Ways and Means Budget Director
 Samuel Goldhar, House Ways and Means Budget Director