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March 15, 2019

Secretary Michael Heffernan
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 2019 Certification of MBTA Dedicated Sales Tax Revenues for FY2020

Dear Secretary Heffernan and Secretary Pollack:

Pursuant to Massachusetts General Laws (MGL) Chapter 10, Section 35T, this letter certifies for FY2020 the MBTA Dedicated 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.

The projected dedicated sales tax revenue for FY2020 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 plus commencing in fiscal year 2015, the amount of \$160,000,000 in each fiscal year thereafter 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". Based on the most recent FY2020 consensus revenue estimate of \$29.431 billion, the dedicated sales tax revenue amount for FY2020 is projected to be \$1,084,753,823, as calculated in the attachment.

Pursuant to the MOU and Chapter 10, Section 35T(b), the MBTA is to receive the greater of the dedicated sales tax or the base revenue amount. Based on the attached calculations, the FY2020 dedicated sales tax revenue is projected to exceed the base revenue amount as certified on March 1, 2019 by \$21,724,245.

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Should you have any questions on the calculation of this amount, please feel free to contact Howard Merkowitz, Deputy Comptroller at 617-973-2602 or me at 617-973-2315.

Sincerely yours,

Andrew W. Maylor
Comptroller of the Commonwealth

Enc.

Cc: Senator Michael Rodrigues, Chair, Senate Ways and Means
Representative Aaron Michlewitz, Chair, House Ways and Means
Deborah B. Goldberg, Treasurer and Receiver General
Christopher Harding, Commissioner of Revenue
David Bunker, House Ways and Means Budget Director
Chris Marino, Senate Ways and Means Budget Director

Fiscal Year 2020 MBTA Dedicated Sales Tax Revenue Calculation

Projected sales and use tax collections, exclusive of meals tax.....	\$ 5,779,711,396
Percentage due to the MBTA*	<u>16.00%</u>
16.00% of FY20 sales and use tax collections, exclusive of meals tax.....	924,753,823
Plus \$160 million per M.G.L. Chapter 10, Section 35T.....	<u>160,000,000</u>
FY2020 projected dedicated sales tax revenue.....	1,084,753,823
FY2020 base revenue as certified on March 1, 2019	<u>1,063,029,578</u>
Difference, FY2020 dedicated minus base revenue.....	<u><u>\$ 21,724,245</u></u>

* The sales tax rate is currently 6.25% for both regular sales and motor vehicles. Based on this tax rate, the MBTA dedicated percentage is 16.00% (1 cent of the 6.25 cents per dollar).