



The Beacon Hill Institute for
Public Policy Research

News Release

8 Ashburton Place
Boston, Massachusetts 02108-2770

phone: 617.573.8750
fax: 617.994.4279
email: bhi@beaconhill.org
web site: www.beaconhill.org

For Immediate Release:
Thursday, October 8, 2009
1:00 p.m.

Contact:
Frank Conte,
Communications
617-573-8050; 8750

BHI Forecast Update: State tax revenues likely to increase by 1.6% in FY 2010 and 3.6% in FY 2011

(BOSTON) – After examining the state’s slide into a recession last year and the emerging prospects for recovery taking root this year, The Beacon Hill Institute at Suffolk University today released its revised forecast of Massachusetts state tax revenues for fiscal year (FY) 2010 and a new forecast for FY2011.

The Institute’s forecasts for state tax revenues are:

- For FY 2010 (ending June 30, 2010): \$18.545 billion, a 1.6% increase over FY2009; and
- For FY 2011 (ending June 30, 2011): \$19.211 billion, a 3.6% increase over FY 2010.

David G. Tuerck, Executive Director of the Beacon Hill Institute (BHI) and Chairman of the Department of Economics at Suffolk University, and Paul Bachman, BHI Director of Research, presented the forecast in testimony before the legislature’s Updated Consensus Revenue Hearing. The hearing took place on the heels of falling September tax revenues which came in \$243 million below estimates used for the current budget.

“With the national economy in recession, Massachusetts has not been spared a dramatic loss in tax revenues,” said Tuerck. “Job losses will translate into continued lower personal income tax revenue for the Commonwealth in FY 2010,” said Tuerck in his testimony. “However, the evidence from recent data, combined with the recently enacted sales tax increase, suggest that overall revenues will increase slightly in FY 2010.”

The Beacon Hill Institute provides policy analysis through its State Tax Analysis Modeling Program (STAMP). Information about STAMP and a copy of the Institute’s *Massachusetts Tax Revenue Forecasts for FY 2010 and FY 2011* is available at www.beaconhill.org or by calling BHI at 617-573-8750.