



MASSACHUSETTS
HIGH TECHNOLOGY COUNCIL

Dedicated to Growth... Committed to Action

August 8, 2022

The Honorable Karen E. Spilka,
President, Massachusetts Senate
Room 332, State House
24 Beacon Street
Boston, MA 02133

The Honorable Ronald Mariano
Speaker, House of Representatives
Room 356, State House
24 Beacon Street
Boston, MA 02133

RE: H.5034: An Act Relating To Economic Growth And Relief For The Commonwealth

Dear Senate President Spilka and Speaker Mariano:

As a coalition of business organizations, we write to urge you to pass the economic development bill in informal session as soon as possible. Both chambers unanimously passed comprehensive bills with permanent tax relief, critical investments and smart policy. Those unanimous votes indicate the widespread support for advancing such legislation and underscore the importance of the bills' provisions. We urge you to enact the final version without delay.

Every resident of the commonwealth will benefit from economic development legislation and there are critical components for employers, hospitals, and municipalities. Its enactment will help provide relief to citizens and businesses facing inflationary pressures. In addition, the legislation addresses the workforce shortages employers are confronting and the tumultuous shifts in our economy they are experiencing.

The following provisions are critical for the commonwealth's economic future and we urge you to include them in the final version of the bill:

- \$500 million in ongoing tax relief, including reforms to the estate tax
- Increase in the cap for the Housing Development Incentive Program
- Sales tax exemptions for rolling stock
- \$300 million in supplemental funding for the Unemployment Insurance Trust Fund to cover the cost of overpayments that will not be recouped from beneficiaries.
- Financial relief for hospitals of at least \$350 million
- Continued investments in child care and early childhood education

The triggering of M.G.L.c 62F has called into question the affordability of passing both an economic development bill and tax relief. In our assessment, both are affordable and necessary to the Commonwealth's economic viability. The financial circumstances that effectuated 62F's provisions show the extraordinary tax revenue growth the state has experienced in recent years. Year-over-year growth has exceeded 15% in FY2021 and 20% in FY2022 and taxpayers deserve to share in that windfall by receiving some form of one-time immediate relief.

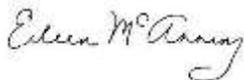
Ongoing tax changes are also warranted to help offset the high cost of housing and rent, childcare and other expenses. Such reforms will better position the Commonwealth for long-term growth. Most of the proposed changes are designed to help low and moderate-income taxpayers. Changes to the estate tax will make Massachusetts less of an outlier relative to other states and better able to retain those taxpayers considering retirement. That is why we support the legislature's \$500 million tax law changes.

In closing, we respectfully urge you to finish the important work of the 192nd General Court in the coming days by passing the economic development/tax bills still pending.

Sincerely,



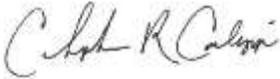
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