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MTF Bulletin

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MTF Summary of the Mass Wins Act

On April 16th, 2026, the Healey-Driscoll administration filed an economic development bill, titled *An Act Relative to Massachusetts Winning Global Investment, Talent, and Innovation*, or the Mass Wins Act. The bill includes \$305 million in capital authorizations and 120 outside policy sections. According to the administration, the bill has several themes: enhancing Massachusetts' competitiveness, reducing barriers and streamlining housing production efforts, and coordinating the state's climatetech investments.

MTF has prepared a comprehensive summary of the capital authorizations and policy proposals, which includes the following materials:

- A review of the last economic development bill, the Mass Leads Act ([*Chapter 238 of the Acts of 2024*](#));
- A comparison of Mass Wins to previous economic development bills, and an overview of notable capital authorizations and policy proposals in Mass Wins; and
- A detailed section-by-section analysis of how each policy proposal amends existing Massachusetts General Law (MGL) or session law to support the state's economic development.

Economic Development Bill Background

Economic development bills have become a standard part of the two year legislative session, over the last 20 years. The bills typically include capital authorizations and policy proposals designed to stimulate the state's economy. Because economic development bills are bond bills, they must be first proposed by the Governor. The bills receive hearings by both the Joint Committee on Economic Development and Emerging Technologies, and the Joint Committee on Bonding before being referred to a Ways and Means Committee prior to action by the House or Senate.

Typically, economic development bills are filed by the administration early in spring of the second year of the legislative session, but House and Senate action often does not occur until June or July.

Overview of Major Proposals in Mass Wins

The Mass Wins Act proposes \$305 million in capital authorization across eight programs and 120 policy sections which focus on enhancing Massachusetts' competitiveness, reducing barriers and streamlining housing production efforts, and coordinating the state's climatetech investments.

Capital Authorizations

A majority of investments (\$250 million) are centered around the defense sector, research and development in robotics and artificial intelligence (AI), and improving vitality and vibrancy in cities and towns.

- **Massachusetts Strategic Hub for Innovation, Exchange, and Leadership in Defense (SHIELD) Capital Grant Program (\$100 million)** – As part of the SHIELD initiative to support military innovation and manufacturing, the Governor proposes a new capital grant program, administered by the Mass Tech Collaborative, MA Life Sciences Center (MLSC), MassDevelopment, and MassCEC to support job creation and retention in defense-related technologies.
- **Applied AI Capital Grant Program (\$75 million)** – The Governor proposes a \$75 million authorization that builds on the initial \$103 million authorization in the Mass Leads Act that supports the development and application of AI in key sectors through the Mass Tech Collaborative, MLSC, MassVentures, and MassCEC.
- **Massachusetts Technology Collaborative Robotics Grants (\$25 million)** – Mass Wins also includes a \$25 million reauthorization of grants administered by the Mass Tech Collaborative, which was authorized in Mass Leads, to support robotics research and development in non-profits, public and private universities, and businesses.
- **Downtown Vibrancy Initiatives (\$25 million)** – While Mass Leads included a \$9.5 million authorization to support downtown vibrancy, this new \$25 million authorization is intended to provide support for larger capital infrastructure programs in downtowns, community centers, and public spaces through EOED.
- **Arts and Creative Economy Grants (\$25 million)** - Mass Wins authorizes a new \$25 million capital grant program administered by EOED to support the creative economy in cities and towns, including the rehabilitation of historic districts and improvements to public gathering and performance spaces.

Policy Proposals

Mass Wins includes significantly fewer policy sections than the 161 policy sections included in the administration's Mass Leads proposal in 2024. MTF organizes policy proposals into three categories that are aligned with the Governor's efforts to enhance competitiveness, spur housing production, and coordinate climatetech investments.

Enhancing Massachusetts' Competitiveness

The Governor's proposal includes a bevy of provisions tailored to enhance competitiveness in the Commonwealth by attracting global investments and addressing small business costs.

- **PRIM Seed Funding** – The Governor directs the Pension Reserves Investment Management (PRIM) board to invest at least \$50 million specifically to benefit early-stage or growth-stage companies in Massachusetts, and is designed to actively seek participation from global

institutional capital. The state is generally reluctant to make requirements on PRIM's investment strategy as PRIM works to maximize returns to reduce the state's unfunded pension liability.

- **Reduced Limited Liability Company (LLC) Fees** – Massachusetts currently has the highest LLC filing fee and the second-highest annual LLC reporting fee in the country, with both respective fees slated at \$500. Recognizing the disproportionate impact on entrepreneurs starting a business with less access to upfront capital, the administration proposes decreasing the LLC filing fee for most companies to \$100 and reducing the annual reporting fee to \$200 for most LLC's first annual report, and gradually increasing the annual reporting fee to \$500 by year four. While reducing fees associated with LLC filings and annual reports would result in some revenue impact to the Commonwealth, it is unclear to what extent the Governor's proposal would affect revenue collections at this time.
- **Economic Utility Rates & Small Business Energy Tax Exemption** – The Governor's proposal seeks to attract new businesses to Massachusetts and assist existing small businesses by combating rising utility costs. To attract new businesses, the administration proposes requiring utility companies to offer discounted electricity rates to large companies relocating to Massachusetts, provided that the Department of Public Utilities determines that the discounted rates will not increase costs for other ratepayers. To address the challenges small businesses face related to rising costs, the Governor proposes expanding the Small Business Energy Tax Exemption on the sales of gas, steam, electricity, or heating fuel to include small businesses with 10 or fewer employees that had gross income of less than \$2 million in the previous year and reasonably expects gross income of less than \$2 million in the current year – the administration estimates this expanded eligibility will include 20,000 additional small businesses.

Reducing Barriers to Housing Production

To address the state's housing shortages and accelerate housing production, the administration proposes several policy changes that are intended to ease the process of local development and commercial conversion.

- **Commercial Zoning Conversion** – Housing access and affordability continue to present significant challenges for residents in Massachusetts. In an effort to ease these challenges, the Governor proposes authorizing municipalities to allow commercially zoned lots to be used to convert an existing structure to multi-family housing or mixed-use development, or to create newly constructed multi-family housing or mixed-use development. The proposal also allows municipalities to impose affordable housing requirements of 10% of the residential units within a conversion and requires municipalities that allow for commercial zoning conversion to include an incentive for developers in the form of a tax exemption, financial assistance for the project, or other local contributions.
- **Site Plan Reviews** – A site plan review is often required by local municipalities to assess the potential impact of development on local communities. However, Massachusetts law does

not impose requirements or criteria for site plan reviews by municipalities. To establish greater predictability among site plan reviews across the Commonwealth, the Governor's proposal establishes criteria for site plan reviews and requires provisions to be set by local ordinance or by-law, and include reasonably definite and objective performance standards. The proposal also provides municipalities with flexibility to waive performance standards related to site plan reviews if the local authority determines it is in the public interest to do so.

Coordinating Climatetech Investments

There are currently three independent funds that support programs, administered by MassCEC, focused on enhancing the Commonwealth's clean and renewable energy efforts:

- Massachusetts Alternative and Clean Energy Investment Trust Fund;
- Massachusetts Renewable Energy Trust Fund; and
- Climatetech Investment Trust Fund.

To better coordinate the state's efforts to improve clean and renewable energy resources, the administration proposes consolidating existing and future funding into the Climatetech Investment Trust Fund. Those funds could be used flexibly to assist certified climatetech companies in developing clean energy and other advanced technologies that contribute to the decarbonization of the economy, reduce and mitigate greenhouse gas emissions and mitigate the impacts of climate change.

Refresher on Economic Development in the 2023/2024 Session

Mass Wins complements the last economic development bill, Mass Leads, signed by Governor Healey in November 2024. Therefore an overview of Mass Leads is helpful context to understand the current economic development proposal.

Mass Leads was the first economic development bill filed by Governor Healey and incorporated several elements of the state's economic development plan that was released in 2023. While the Governor's initial proposal authorized \$2.8 billion across 27 programs, the final bill authorized nearly \$4 billion across 35 programs, half of which were dedicated to the life sciences and climatetech sectors. Mass Leads authorized \$1.4 billion more than the previous three economic development bills combined, and is significantly larger than the proposed authorizations in Mass Wins.

Notable Authorizations

Capital authorizations in Mass Leads far exceeded previous economic development bills since 2018, primarily driven by reauthorizations for the state's life sciences initiative and capital infrastructure program for municipalities that are compliant with the MBTA Communities Act. The bill also included an authorization for a new climatetech initiative, which is also a focal point of her 2026 Mass Wins proposal. The five largest program authorizations in Mass Leads totaled \$1.6 billion, 41 percent of all authorizations, which include:

- **Massachusetts Life Sciences Breakthrough Fund (\$580 million)** – To reauthorize the state’s life sciences initiative, the Breakthrough Fund received a \$580 million 10-year authorization to support the expansion of life sciences research and development through investments in research facilities, infrastructure, workforce development, and technology.
- **MassWorks Infrastructure Program (\$400 million)** – The MassWorks Infrastructure Program received a \$400 million five-year reauthorization to provide public infrastructure grants for municipalities in compliance with multi-family zoning requirements in the MBTA Communities Act.
- **Mass Impact (\$252.5 million)** – The Mass Impact capital grant program was a new \$252.5 million five-year authorization to support large transformational projects that have received private, federal, or municipal funding to drive economic development.
- **Clean Energy Investment Trust Fund (\$200 million)** – As part of the state’s efforts to authorize a climatetech initiative, the Clean Energy Trust Fund, administered by the Massachusetts Clean Energy Center (MassCEC), received a 10-year \$200 million authorization to support workforce and economic development in research and development, innovation, manufacturing, and climatetech after initially being capitalized with \$50 million.
- **Wind Industry Investment Trust Fund (\$200 million)** – The MassCEC also received a 10-year \$200 million authorization for the Wind Industry Investment Trust Fund, which was initially capitalized with \$90 million, to support offshore wind capital and infrastructure projects, secure federal grant funding, and for sector-based workforce training programs.

Notable Tax Incentives and Policy Changes

In addition to capital authorizations, Mass Leads included several tax incentive provisions that expanded existing tax credits and established new programs to support life sciences, climatetech, and broader economic development efforts.

- **Life Sciences Tax Incentive Program (\$40 million annually)** – Mass Leads increased the annual cap on the life sciences tax incentive program from \$30 million to \$40 million for a life sciences center based on several factors, including job creation, acquired or constructed property, and research expenses.
- **Offshore Wind Tax Incentive Program (\$35 million annually)** – The bill expanded eligibility of the offshore wind tax incentive program by lowering the threshold for businesses that employ 50 people, a decrease from 200 people, and reduced the number of required new jobs created from 50 jobs to 10 jobs.
- **Climatetech Tax Incentive Program (\$30 million annually)** – Modeled after the life sciences tax incentive program, the bill included a maximum of \$30 million a year for climatetech companies that can be used for capital investments, job incentives, and research expenses. The program will be in effect for five years following a fiscal year in which the state generates a \$400 million surplus.

- **Internship Tax Credit Program (\$10 million annually)** – The internship tax credit was a new program that provides employers with up to \$5,000 or 50 percent of each new intern’s wages, if said intern is enrolled in a public or private higher education institution and is with the employer for at least 12 weeks. While the Mass Leads Act authorized up to \$10 million annually in tax credits, it would not go into effect until the state ends the fiscal year with a \$400 million consolidated net surplus. Mass Wins proposes to eliminate the trigger so that the credits would become effective.
- **Live Theatre Tax Credit (\$7 million annually)** – Mass Leads authorizes a five-year live theatre tax credit pilot program that provides up to \$7 million a year in credits to support the expansions of pre-Broadway and pre-off-Broadway productions when the state ends a fiscal year with a \$400 million surplus.

Notable Policy Changes

The Mass Leads Act included 329 policy sections, more than double the number of policy proposals in the Governor’s original bill. Notably policy proposals primarily focused on the climatetech sector, removing barriers to the workforce, and expanding programs for small businesses, including:

- **Foreign-Trained Physicians** – The legislature maintained the Governor’s plan to expand the pathways to licensure for foreign-trained physicians by providing one-time, limited licenses if they meet certain training and education eligibility requirements that will lead to a full unrestricted license.
- **Nurse Licensure Compact** – Introduced by the legislature, this policy change allowed for Massachusetts to join the Nurse Licensure Compact, an interstate program that allows a nurse to hold a single multistate license and practice in participating states, instead of obtaining individual licensure in multiple states.
- **Educator Diversity** – The legislature included policy provisions that required the Department of Elementary and Secondary Education (DESE) to establish guidelines to diversify the educator workforce and identify barriers to hiring and retaining a diverse workforce, including an alternative certification process if the educator has obtained certification in another jurisdiction, competency-based projections, and successfully completed an approved educator preparation program.
- **Microbusinesses** – The legislature kept the Governor’s proposal to codify the definition of a microbusiness as a business with no more than 10 employees, annual net profits below \$250,000, and at least \$250,000 in annual revenue.

Comparing Mass Wins to Previous Economic Development Bills

The \$305 million Mass Wins Act contains far fewer capital authorizations than previous economic development bills going back to 2018, relying instead on policy changes that streamline and coordinate existing investments in an effort to stay within the state’s current borrowing limits. To address fiscal constraints, the Healey-Driscoll administration also proposes \$143.5 million in new deauthorizations across two accounts.

Economic Development Bills, 2018 - 2026

Economic Development	Capital Authorizations
Mass Wins (2026) (<i>proposed</i>)	\$305.0
Mass Leads (2024)	\$3,960.0
2023 Economic Development	\$740.3
2020 Economic Development	\$626.5
2018 Economic Development	\$1,153.6
2018 – 2026 Total	\$6,785.4

\$ in millions

The Mass Wins Act is much smaller than recent economic development bills. This change in scope is related to several factors. First, Mass Leads was a historically large economic development bill that included two 10-year authorizations for the state’s life sciences initiative (\$500 million) and a climatetech initiative (\$400 million). Given that a number of major programs were reauthorized or launched just two years ago, it makes sense that there is less capital activity for this bond bill. Second, the limited scope of Mass Wins also likely reflects the Healey administration’s recognition of the constraints on the state’s Capital Investment Plan and the fact that another large capital bill, Mass Ready, must also be acted upon this session.

Next Steps in the Legislative Process

Governor Healey filed her economic development bill on April 16th, and the legislation was referred to the Joint Committee on Economic Development and Emerging Technologies. On May 19th, the committee held a public hearing on the legislation to solicit input from agencies, stakeholders, and members of the public.

Economic Development and Emerging Technologies has until June 18, 2026, to act on the bill. If given a favorable report, the bill would move to the Joint Committee on Bonding, Capital Expenditures and State Assets before moving to the House Committee on Ways and Means. As we enter the final two months of formal legislative session, both chambers may look to act on the legislation in a timely manner to leave time for conference negotiations ahead of the August recess. In the 2023-2024 legislative session, the House passed their version of the economic development bill on June 27th followed by the Senate, two weeks later, on July 11th. A conference committee was appointed on July 17th, exactly two weeks ahead of the July 31st formal session deadline, however conferees were unable to come to an agreement until November 17th, three and a half months after formal sessions concluded.

As the Governor’s economic development proposal moves through the legislative process, there are currently several other pieces of legislation filed by the administration advancing through the legislature containing elements that would typically be found in an economic development bill, including the DRIVE Act, which proposes a \$400 million investment using surtax resources and expanding the use of the Federal Matching and Debt Reduction Fund to support the state’s research and development sector, as well as the Innovation and Capital Fund Supplemental Budget which

proposes an additional \$1.2 billion through capital and one-time investments in education and transportation.