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Contact: Cort Boulanger
(339) 222-2442
ccb@boulangerpr.com

High Tech Council Supports State Economic Competitiveness Proposal
Baker calls for reforming regulations, lowering costs, and simplifying tax code

The Massachusetts High Technology Council applauds gubernatorial candidate Charlie Baker's tax competitiveness proposals to create a sustainable climate for job creation and to make the Commonwealth more economically competitive. The Council's CEO members have made improving the state's tax and cost-competitiveness climate a top priority for 2010, and Baker's plan is in alignment with the Council's tax priorities.

Baker's plan recognizes the urgent need for a stable, predictable and competitive employer and employee cost structure. While Massachusetts made significant progress during the 1990s in undoing its deserved image as a high-tax state, recent tax increases on employers have eroded its competitive advantage over peer states. Massachusetts today has a higher corporate tax rate than all but seven other states, and higher sales tax rates than all but nine. Furthermore, in recent years state tax policy has been focused on setting aside special tax incentives for "hot" economic sectors, rather than making a more competitive playing field for all employers.

Baker's plan restores a sense of stability and fairness to the tax system by addressing the inhibitors to growth for all employers and entrepreneurs, while at the same time lowering costs for Massachusetts families. It brings the sales, income and corporate tax rate all down to five percent. In addition, it attacks the traditional "worst offenders" to job growth, like the costliest Unemployment Insurance system in the nation.

In addition, Baker is right to propose a moratorium on any new employer regulations until a full review of the state's entire regulatory structure is conducted. State regulatory policy has become more capricious and unpredictable in recent years. Much like employers crave a stable tax climate, they need a stable and predictable regulatory climate as well.

Baker's plan mirrors efforts by the Council in recent years to push for a more stable and competitive cost structure. The Council is working with the Pioneer Institute on a long-term strategy to streamline the state's tax structure and make Massachusetts more globally competitive based on input from its members.

Massachusetts will never be a low-cost state. But Baker's plan will help our innovative companies and skilled workers compete with peers in other states and nations that currently enjoy significant cost advantages.

About the Massachusetts High Technology Council – www.mhtc.org

The Massachusetts High Technology Council is composed of CEOs from the state's top technology employers who work to make Massachusetts a more competitive place for technology growth. The nonpartisan Council has a 33-year record of working with state and federal leaders in a decisive and effective manner on issues of education, taxation, economic development, energy, defense technology and more. Council members run leading global companies from all sectors of the state's diverse innovation economy.

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