

# The High Tech Agenda

Cost Competitiveness - Talent Development

January 22, 2013

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The **High Tech Agenda** keeps the High Tech Council's members and partners up to date on its pro-growth advocacy concerning state and federal public policies and programs in support of its mission.

**The Goal of the Massachusetts High Technology Council is to help make Massachusetts the world's most attractive place in which to live and work, and in which to create, operate, and grow high technology businesses.**

**We believe** the health and vitality of the Massachusetts economy is directly related to the state's commitment to meet the high quality of life it seeks to provide for its citizens. Competitive, stable and predictable tax rates, appropriate regulations and economic incentives, and other operating costs that are competitive with other states, will lead to greater capital formation and employment growth throughout the state's technology economy.

[Mission Statement](#)

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## 2013 Annual Meeting-New Council Leadership

The Council is pleased to announce that **Pete Nicholas, Co-founder and Chairman of Boston Scientific**, will serve as Chairman of the High Tech Council for the next two years, and lead a team dedicated to our "competitiveness" agenda. Pete will succeed Jim Regan of Dynamics Research Corp., who will be recognized at the 2013 Annual Meeting for his 7-year-term of service in various posts within the Council's leadership team. The Annual Meeting will be held February 26th from 7:30 AM to 10:00 AM at the Newton Marriott. Additional information about the program and keynote speaker will be available soon.



[Click here](#) for a full biography.

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## Cost Competitiveness Team Readies State Policy Agenda

*Supports Reform, Opposes Unemployment Insurance Rate Increase*

On January 14th, the Council urged the Legislature to prevent a nearly 30% increase on Mass. employers Unemployment Insurance system payroll taxes - a move that would leapfrog Rhode Island as the state with the highest such tax on employers. While supporting another consecutive rate freeze, the Council

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## Related Links

[Council Website](#)

[DTI Website](#)

urged the Legislature to adopt 4 reforms that would boost job and revenue growth in Massachusetts.

Read the Council statement to the Legislature [here](#).

## *State Taxes Headed Higher*

As the 2013 Legislative Session got underway, tax increase advocates began a campaign to justify new tax increases to close an estimated \$1.2 billion gap in fiscal 2014 - via an increase in the state personal income tax rate, an increase in the gas tax, and the elimination of certain state tax credits, which have all been mentioned by some in the Administration and Legislature.

On January 16th, the Governor announced his intention to seek a **19% increase** in the state income tax to raise nearly \$2 billion per year for new transportation and early education initiatives.

Meanwhile, the High Tech Council's [Cost Competitiveness Team](#) is updating an analysis of more than a dozen "competitor" and New England states, comparing a variety of taxes and trends to help determine the competitiveness of the state's tax environment. Council members interested in participating on this team are invited to contact Jane Stoy ([jane@mhtc.org](mailto:jane@mhtc.org)).

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## More from Governor, Senate and House Leadership on 2013 Tax Proposals

To offset some of the proposed new burden placed on residents, the Governor proposed that the sales tax be reduced from 6.25 % to 4.5%, a **28% reduction**, and for personal income tax exemptions to be doubled. Sales tax revenue, under the Governor's plan, would be dedicated to a public works fund to support transportation projects, the school building fund and other public infrastructure. As reported in the [Boston Globe](#) on January 17th, House Speaker Robert DeLeo and Senate President Therese Murray both said they are looking forward to discussing the Governor's proposal.

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## Data Point: Massachusetts Competitive Update

[Location Matters](#), a 2012 comparative analysis of state tax costs on business from the Tax Foundation in collaboration with KPMG, found Massachusetts ranked 44th out of 50 states overall-a reflection of the relative high average tax burden in the Bay State among mature firms, and 43rd among newly formed firms. Massachusetts also scored among the **10 highest tax cost states for new Research and Development operations** - a core barrier to unleashing higher employment growth potential of the state's tech sector. What's driving the low ranking? **Fewer incentives than competitor states, sourcing rules that tax 100% of the firm's income in-state and heavy UI, sales, and/or property tax burdens.**

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## National Tech Sector Hot Spots

**Reported by POLITICO Pro Technology, January 15th:** Atlanta, Raleigh, Des Moines, Cleveland, Portland, D.C., Chicago and Las Vegas are the new entrepreneurial ecosystems and will likely attract more venture funding, said Steve Case, Co-founder of AOL and CEO of Revolution, who shared his views in a conference call Monday. His firm plans to deploy 80 percent of its capital to startups outside of Silicon Valley and Boston, he said.

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## 2013 CEO Roundtable Series

Exclusively for MHTC member chairmen, CEOs and presidents, we are expanding a schedule of **CEO Roundtables** in 2013 on issues that are relevant to the Council's mission (cost competitiveness, talent development/education, defense technology, and more) and are in the interest of our members. Soon to be scheduled Roundtables will feature U.S. Senator Elizabeth Warren, Mass. House Speaker Robert DeLeo, KIPP Foundation CEO Richard Barth, and Mass. Taxpayers Foundation President Michael Widmer.

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## MHTC Announces Exclusive Member Benefit with Politico

MHTC and our affiliated Defense Technology Initiative announce a new partnership with **POLITICO Pro**. POLITICO is an email and web-based publication covering critical policy issues in Washington, D.C. including defense and homeland security. MHTC and DTI members can begin with a **30-day free trial** of the service this month, and have access to a discounted rate for the POLITICO Pro subscription through an exclusive arrangement in New England for MHTC and DTI members. For more information, please contact Jane Stoy at [jane@mhtc.org](mailto:jane@mhtc.org).

Please [click here](#) for the full announcement.

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## DTI Update

The latest issue of the Defense Technology Initiative (DTI) Update outlined changes in DTI leadership, summarized the recently enacted National Defense Authorization Act (NDAA), and highlighted local New England defense news. DTI is pleased to announce its new Board Chair and Vice Chairs - UMass Lowell Chancellor Marty Meehan, President and CEO of Mercury Systems Mark Aslett and President and CEO of Textron Systems Ellen Lord.

Please [click here](#) to view the update.

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## Council Welcomes Ron Trznadel

We recently welcomed a dedicated membership development staff resource, Ron Trznadel, to the team to accelerate MHTC membership growth and benefit program participation for members. Before joining the Council, Ron was responsible for Sponsorship and Exhibit sales & strategy for World Congress and World Research Group conferences in the United States and Europe with a team of 7 Sales Executives responsible for \$8 million in Sales.

Wearing his Council hat, Ron will utilize a combination of the Council's 30+ year history of accomplishment and existing brand identity, along with specific member programs (Workers' Compensation Self-Insurance Group) to drive growth.

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## They Said It...

"The Massachusetts High Tech Council's Defense Technology Initiative has been an invaluable partner, delivering critical resources and information about the region's defense industry and its role with our military bases." **Massachusetts Lieutenant Governor Tim Murray**. Salem News, January 2, 2013.

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## **MHTC in the News**

January 2, 2013  
*Salem News*  
[Changing with the Times](#)

December 26, 2012  
*Boston Herald*  
[On Edge of Cliff, Experts Dole out Advice to Consumers](#)

## **Massachusetts News**

January 14, 2013  
*MassLive.com*  
[Massachusetts works to address the nation's highest health insurance premiums](#)

January 13, 2013  
*Worcester Telegram & Gazette*  
[Companies tie training grants to specific goals](#)

January 10, 2013  
*Boston.com*  
[Patrick seeks to curtail retiree health costs](#)

January 10, 2013  
*Boston Herald*  
[Rep. Dan Winslow: Mass. can save millions](#)

January 3, 2013  
*MassLive.com*  
[Fiscal cliff deal may have passed, but all the hoopla left Western Massachusetts businesses hanging in mid air](#)

January 2, 2013  
*Boston.com*  
[Fiscal Cliff Legislation's Impact on Massachusetts Businesses and Small Business Owners](#)