

M A S S A C H U S E T T S
HIGHTECHNOLOGYCOUNCIL
Proven Leadership in Action

President's Bulletin
February 14, 2013

As we prepare for our Annual Meeting on February 26 and the election of Pete Nicholas, Co-Founder and Chairman of Boston Scientific as the next Chairman of the High Tech Council, at the Massachusetts State House, a series of significant proposed tax increases will test the limits to which elected officials are serious about creating a competitive job creation climate.



The High Tech Council is committed to advocating for public policies and programs that make Massachusetts the most attractive place in which to live and work, and in which to create, operate, and grow high technology businesses.

Further, we believe Massachusetts state and local government should create an environment that encourages innovation and job growth, and enact public policies and support programs consistent with that objective.

However, last month, Governor Patrick announced a package of tax increases that totals nearly \$2 billion, and we are seeking your assessment on it and your view of the current and future business climate in Massachusetts. Please answer 10 questions in a brief survey before our Annual Meeting. But first, read on.

Our members 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.

While our Cost Competitiveness Team continues to frame longer-term pro-growth policy strategies that will be shared with candidates in the 2014 gubernatorial campaign, we also want to collect your views on the Governor's tax plan currently being considered by the State Legislature.

Before taking our brief survey, we urge you to review just a few of the summaries of the Governor's tax plan that have been prepared, including the following that can be viewed here:

KPMG

Mass. Taxpayers Foundation

A recently updated comparison by the Council of key tax policies in Massachusetts with our peer states reveals we are not competitive in several important areas (visit www.mhtc.org for "at a glance" summary of findings to date).

Massachusetts' strengths (Ranked #1 in the Milken Institute State Science and Technology index) are countered by a multitude of low rankings when it comes to measuring the competitiveness of our job creating environment--we dropped from 6th to 28th in CNBC's best states to do business this year. We are below 25th and failing to make the "best states" lists in almost any business-climate survey or index.

On Friday (February 15), I will be participating as a panelist along with Steve Grossman, Charlie Baker, and Greg Bialecki at the Massachusetts Business Climate Summit in Boston sponsored by the Boston Business Journal and the State House News Service. We'll be commenting on the results of a not-so-positive survey of employers weighing in on aspects of the Massachusetts business climate.

Please make every effort to register your opinions via our survey over the next 10 days, as they will be instructive in framing the Council's State House strategy. We'll get the results back to you soon after the Annual Meeting.

Also, if you can, be sure to consider attending our CEO Roundtable with House Speaker Bob DeLeo on February 20, and with Mike Widmer, Mass. Taxpayers Foundation on March 7. Check our website regularly as additional Roundtables are being added to the schedule throughout the year.

Sincerely,

A handwritten signature in black ink, appearing to read 'CRA', with a long horizontal flourish extending to the right.

Christopher R. Anderson
President

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