

MASSACHUSETTS
HIGHTECHNOLOGYCOUNCIL

Dedicated to Growth... Committed to Action

LEGISLATIVE MEMO

To: Members of the General Court

From: Christopher R. Anderson
President

Date: September 17, 2013

Re: Building a partnership between Beacon Hill and the innovation economy

On behalf of thousands of technology professionals across the Commonwealth's diverse innovation economy, thank you for listening and pledging your support to repeal the tech tax. We appreciate your willingness to reconsider this tax in view of the considerable evidence that showed how it would seriously threaten existing companies' ability to compete for business and therefore retain and grow jobs. This is the same message that I conveyed personally to the office of the House Speaker and the Senate President on the day the decision to repeal was announced and I am happy to repeat it here. We look forward to supporting your retroactive repeal of this tax later this month.

Consequences of the tech tax in a highly competitive global economy

If left in effect the tech tax would not have gone unnoticed in a global economy that is constantly assessing and reassessing the competitive environments of different states and countries. Under the tech tax, Massachusetts' reputation as a hub and driver of new innovations would have taken a swift and dramatic hit. Given the highly mobile nature of the tech workforce, the damage to our reputation would have had a very negative effect on our ability to retain or attract employers despite our well-earned and accurate reputation as a nexus of talent.

A talented workforce is but one of many strengths that we in Massachusetts enjoy. A review of peer technology states conducted by the High Tech Council revealed that we have more per capita residents with advanced degrees, the highest percentage of tech workers, and the greatest number of tech clusters.

Building a strong partnership between policymakers and job creators

We believe it is in our collective interest to facilitate and promote a stronger partnership between you in state government, and the leaders of our state's technology economy. We will augment your efforts to create jobs and fuel innovation by offering constructive ways to expand our state's competitive strengths and remedy competitive weaknesses.

In view of their recent interaction with Beacon Hill a new generation of tech companies has become aware of the vital role they play in our state's economic present and future. We, and they, will work with you to be your partners in economic growth strategies and look forward to working with you to advance pro-growth policies that spur innovation, job growth, and revenues.