

MASSACHUSETTS
HIGH TECHNOLOGY COUNCIL
Dedicated to Growth... Committed to Action

October 28, 2019

Dear {Legislator Name},

On behalf of its members, the Massachusetts High Technology Council (the "Council") respectfully urges you and your colleagues to support the so-called Section 163(j) decoupling provisions included in House Bill 4132, the FY2019 deficiency budget engrossed by the House on October 17.

Sections 9, 10, 11, and 57 of House Bill 4132 include critically important language that would decouple Massachusetts from the new limitations on interest expense deductibility under Section 163(j) of the Internal Revenue Code. The Council strongly supports these provisions which are necessary to restore Massachusetts' tax treatment of interest expense to its status prior to the changes caused by federal tax.

The Council thanks the members and leadership of the House of Representatives for including these necessary provisions in the House-engrossed bill and urges members of the Senate to support their inclusion in any version of the final deficiency budget that is enacted and sent to Governor for his approbation.

Over the past several decades, Massachusetts' elected, civic and business leaders have partnered to move the Commonwealth forward and away from the damaging "Taxachusetts" moniker and have made progress managing Massachusetts closer to the middle of many respected national rankings of the tax burden and climate in each state. Just last week, however, Massachusetts slipped several spots to Number 36 in the Tax Foundation's annual "State Business Tax Climate Index".

The legislature's resolution of this issue in a responsive and timely manner would send a clear and positive message to job creators that Massachusetts is committed to preserving and enhancing the Commonwealth's economic competitiveness, particularly with respect to taxes on businesses and employers. Conversely, by knowingly allowing a burdensome new tax to be imposed on Massachusetts employers by virtue of changes to federal law, the General Court would do harm to the Commonwealth's substantive rankings for tax climate and competitiveness as well as Massachusetts' brand and reputation as an attractive place for employers to invest and grow.

We look forward to working with you to advance these and other policies that will support our common goals and advance our common objectives and respectfully urge you to enact these changes promptly. Thank you for your consideration.

Sincerely,



Mark J. Gallagher
Vice President