



MASSACHUSETTS
HIGH TECHNOLOGY COUNCIL

Dedicated to Growth... Committed to Action

June 10, 2021



Public Policy Agenda Heats Up:

Presented in partnership with Mintz Levin Strategies

Massachusetts Economic Recovery and Proposed Tax Increases Headed to the 2022 Ballot

On June 7, 2021, the Council and representatives of more than 150 companies from across the Commonwealth sent an [open letter](#) to the Massachusetts legislature urging lawmakers to reject the tax amendment increase while warning them of the economic damage that the amendment would bring. The letter, whose signatories represent nearly 16,000 employees, implores lawmakers to instead prioritize getting the more than 300,000 people who lost their jobs during the pandemic back to work and other areas to accelerate economic recovery. Read the open letter and add your voice as a signatory to join the Council, the Partnership for Massachusetts' Future, and hundreds of Massachusetts business leaders in mapping out a plan for full recovery [here](#). Listen to Council President Chris Anderson on Bloomberg Baystate Business Radio [here](#) (1:15:45), and view our full statement [here](#).

On June 9, the House and Senate convened in a Constitutional Convention to give final approval to a proposal that would make Massachusetts the only state in the nation to write into its Constitution a 4% tax surcharge on income in excess of \$1 million. Despite record state tax revenue collections and unprecedented federal tax dollars, the Legislature voted 159-41 to advance the proposal to voters on the November 2022 ballot. As the Council has argued since the proposal's introduction in 2015, the surtax would risk significant damage to the Massachusetts economy from the out-migration of wealth and businesses. Given the uncertainty that employers face across many industries, the concern of economic impact is even greater.

The Council continues to fight the Constitutional Amendment in partnership with other organizations and raise awareness about the dire consequences of the proposed tax increase.

In advance of the vote, the Council released a statement opposing the Legislature's decision to vote on the matter at such an uncertain time for the state economy. View the statement [here](#).

State Tax Revenues Soar

The state continues to bring in more revenue each month than was expected. With less than a month left in fiscal year 2021, tax revenue has come in more than \$1.8 billion higher than the projected benchmarks. As a result, FY 2021 will be a strong year revenue-wise for the commonwealth, which is considerably better than the dire situation that was predicted when the pandemic began in March 2020. To be sure, many sectors of the economy in Massachusetts have been devastated by the pandemic, but the overall health of the state's coffers underscores that drastic service cuts and any state tax increase proposals are unwarranted.

Awash in Federal Funds

The Council continues to take an active role in advocating for the appropriate allocation of billions of federal dollars that have been flowing into the Commonwealth. In May, the U.S. Treasury Department adopted guidelines of how states can use their share of the American Rescue Plan Act ("ARPA") funds. While wide latitude has been given to states to use these funds for things like replenishing unemployment trust funds, loans to businesses, and certain infrastructure projects, states cannot use the federal funds to backfill their "rainy day" funds. The influx of federal dollars will be vital to the commonwealth's economic recovery and the Council will engage with legislative leaders and the Baker Administration to ensure that these funds are used to promote prudent policies for share public priorities and job generation.

Unemployment Insurance Solvency Rate Hike Gets Legislative "Fix"

The Massachusetts House and Senate recently agreed to legislation that will help ease the burden of the massive pandemic-related unemployment claims from the state's solvency fund to a new COVID-19 Employer Relief Account. Under the "fix," the costs of the claims would still be borne by employers but spread out over 20 years. The solution isn't perfect but will relieve businesses in Massachusetts of the unprecedented and unexpected spike in the solvency assessment. We believe a better solution is to apply some of the federal resources Massachusetts has received to fully eliminate the deficit in the solvency account. Had the legislature not acted, it was estimated that the solvency assessment on each employee would have been a 10-fold tax rate increase over 2020.

The Council continues to advocate on this issue as it is clear that unemployment insurance issues will need to be addressed throughout the economic recovery from the pandemic.

MHTC Appointed to Unemployment Insurance Commission

The state's Unemployment Trust Fund Study Commission, on which Council president Chris Anderson has a seat as a legislative appointee, was established in April to study the long-term solvency of the unemployment insurance trust fund. The commission is comprised of public and private sector members and recently held its inaugural meeting. It is expected that the commission will thoroughly examine all issues related to the unemployment insurance trust fund and Council's members will have a voice at the table through Chris' advocacy.

Transportation Network Companies

During the Senate's debate on the state budget during the week of May 24, an amendment was adopted that would increase the per-trip fee on transportation network companies, such as Uber and Lyft. The Council lobbied against including this provision in the Senate's budget and will actively engage with the Budget

Conference Committee to prevent this proposal from being included in the final budget for the fiscal year that begins on July 1.



You're Invited to the Mass. High Tech Council's 2021 Annual Meeting

Join us on Tuesday, June 29 from 9:00 – 10:30 a.m. EDT for the [Mass High Tech Council's 2021 Annual Meeting](#). The virtual event will feature State and private sector leaders highlighting recent and future priorities around the

Council's **COVID-19 response; Diversity, Equity and Opportunity Initiatives**; and **Public Policy Strategies** to protect and strengthen our innovative Massachusetts economy.

Don't miss the opportunity to hear from new officers, including **Robert Reynolds**, CEO of Putnam Investments, who will succeed **Udit Batra**, CEO of Waters Corp., as council chair and **John TC Lee**, CEO of MKS Instruments, who will assume the role of vice chair. Special thanks to **Mass. Governor Charlie Baker** and U.S. Representative and Chair of the U.S. House Ways and Means Committee **Richard Neal** who will be joining us.

We will also award the **2021 [Ray Stata Leadership and Innovation Award](#)** to **Dr. Dan Barouch**, Director, Center for Virology and Vaccine Research, Beth Israel Deaconess Medical Center, and **Stéphane Bancel**, CEO of Moderna, for their contributions to the phenomenal research and development of COVID-19 vaccines. Big thanks to **MilliporeSigma** for hosting and producing this year's event, and to our Ray Stata Leadership and Innovation Award Sponsor **Ernst & Young**, Keynote Speaker Sponsor **PTC**, Guest Speaker Sponsor **Putnam Investments**, and Meeting Sponsors to date: **People's United Bank; Creation Technologies; MKS Instruments; McKinsey & Company; Thermo Fisher Scientific; Brooks Automation; Onto Innovation;** and the **Pagliuca Family Foundation**. We look forward to seeing you online on June 29.

Click [here](#) to learn about participating as a corporate/personal sponsor.

Attendance for this event is free, but pre-registration is required.

[Register for the 2021 Annual Meeting Here](#)



Council Staff Grows

Please join us in welcoming Matthew Blackbourn as our new Public Policy and Research Manager and Jenny Enfield as the Council's first Digital Communications Manager.

With nearly a decade of experience in public policy and government affairs, Matt will manage

various high-profile public policy and research initiatives, including advancing competitiveness and talent policies and programs, as well as engaging with elected officials and various stakeholders to advance the Council's policy agenda. A native of Lexington, Massachusetts, Matt comes to the Council from the Boston

Municipal Research Bureau where he served as Policy Director and led the organization's research and public partnerships. He holds a Bachelor of Arts degree in Political Science and Philosophy from Tulane University, where he was elected to Phi Beta Kappa and graduated summa cum laude.

Utilizing her experience in public relations and social media management, Jenny will spearhead the Council's communications strategy. Prior to joining the Council, she was a Public Relations Account Executive and Social Media Manager at The Castle Group where she worked with clients to develop and implement integrated public relations strategies and managed the firm's social media platforms and campaigns. Originally from Weston, Massachusetts, Jenny holds a Bachelor of Arts degree in Strategic Communications from Quinnipiac University, where she was a member of Lambda Pi Eta and graduated cum laude.

We are thrilled to have Matt and Jenny on the team and look forward to their contributions to the Council's mission to 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.



Massachusetts Recovery and Jobs Initiative: News you Can Use

Through the Massachusetts Recovery and Jobs Initiative ("MRJI"), the Council is communicating regularly with policymakers, opinion leaders, and economic decision-makers to provide key information on the critically important policy choices facing Massachusetts now and in the months ahead.

On a recurring basis, we are sharing with Council members a curated digest of recent data, analyses, and media coverage related to our MRJI efforts, along with relevant news stories from around the nation.

We hope you will find these digests of News You Can Use informative and we encourage you to [contact us directly](#) to learn more about the MRJI and the Council's policy advocacy efforts.

Recent MRJI in the News

- [Massachusetts Legislature overwhelmingly advances proposed tax on top earners to 2022 ballot](#), *The Boston Globe*, June 9, 2021
- [A 'millionaires tax' is still a terrible idea](#), *The Boston Globe*, June 9, 2021
- [Lawmakers Advance Income Surtax to 2022 Ballot](#), State House News Service, June 9, 2021
- [Businesses urge lawmakers to reject 'millionaires tax'](#), *Boston Business Journal*, June 7, 2021
- [Proposal to tax top earners more looks to be headed to 2022 ballot; lawmakers plan key vote](#), *The Boston Globe*, June 3, 2021

Recent Third Party Reports, Analyses, and News

- [Lawmakers Set To Vote On Including Wealth Surtax On The 2022 Ballot](#), WBUR, June 9, 2021
- [Millionaire tax doesn't belong in Mass. Constitution](#), *CommonWealth Magazine*, June 8, 2021

OUR MISSION

The Massachusetts High Technology Council, Inc. is an organization of CEOs and senior executives representing technology companies, professional services firms, and research institutions who are dedicated to creating and sustaining conditions that support investment, job growth and improved quality of life in Massachusetts. Our members are growth-oriented, knowledge-intensive employers and institutions that develop, deliver and depend on technology products, services and innovations to advance their organizational objectives—a definition which covers just about all business enterprises in Massachusetts today.

Our mission 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.

For more information [visit our website](#).

