

MASSACHUSETTS  
**HIGHTECHNOLOGYCOUNCIL**

*Dedicated to Growth... Committed to Action*

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## **COUNCIL PRESIDENT CHRIS ANDERSON'S STATEMENT ON LEGISLATURE'S VOTE ON THE CONSTITUTIONAL AMENDMENT GRADUATED INCOME TAX TRAP**

**The Massachusetts Legislature has made a premature and disappointing decision to vote on an amendment to the Massachusetts Constitution establishing a surtax on income more than \$1M. If passed, the Amendment will advance to the statewide ballot in 2022. The Legislature is rushing the vote under pressure from special interest groups that have misrepresented who would be impacted by the Amendment and aim to silence concerns about the Amendment's significant risky economic impact.**

The decision to vote now to advance the largest tax increase in the history of Massachusetts comes at a time when more than 300,000 people who were in the workforce in February 2020 are no longer working. It also comes at a time when Massachusetts tax revenue collections are \$5.7 billion ahead of last year's collections. The Legislature has also decided not to collaborate with the Governor, and instead retain control over more than \$5 billion in additional federal tax dollars sent to Massachusetts this year.

This proposal gives the Legislature a blank check. The Supreme Judicial Court ruled in 2018—and the Attorney General agreed—that the Legislature is not restricted in how it spends any new tax revenue from this proposal. The language in the Amendment is therefore misleading unsuspecting voters that only transportation and education will benefit.

The Amendment is a tax trap. Voter affirmation of the Constitutional Amendment process would insulate elected officials from being on record approving the new to tax and will open the process to be used again to establish new taxes on different income levels and taxpayers in the future.

The Amendment will put the brakes on the Massachusetts economic recovery at a time when barriers to relocation have never been lower for employers and their workers. Many firms are considering more flexible work arrangements. Remote work will be a feature of their new normal. The proposed tax increase gives these businesses strong incentive to move jobs less expensive states and creates the same conditions that led to economic decline in Connecticut, New York, Illinois, and California because of similar proposals.

We urge every legislator to oppose this Amendment. If it proceeds, and is adopted by voters, this will be the best economic development policy the State of New Hampshire has ever had.

### **About the Massachusetts High Technology Council**

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.

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