MASSACHUSETTS HIGHTECHNOLOGYCOUNCIL

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Mass. High Tech Council Statement on the Massachusetts Supreme Judicial Court Ruling on the Tax Hike Amendment

Today the Supreme Judicial Court ruled that the Attorney General does not have to change the proposed description of the Tax Hike Amendment that will appear before voters in November 2022. The Court's ruling concludes litigation that started with <u>a complaint</u> filed by Massachusetts High Technology Council President, Chris Anderson, and fifty-four other plaintiffs challenging the Attorney General's failure to propose ballot language fairly and accurately summarizing for voters the proposed Amendment.

We are disappointed in the Court's decision to not require that the Attorney General clarify for voters the true nature of the Amendment. At the same time, our litigation has succeeded in an important way: it has revealed, beyond any reasonable dispute, that the Amendment, if adopted by voters, **would not require increased spending on education and transportation.**

The Amendment suggests that new revenue will be spent on education and transportation, and its proponents tout additional expenditures for these purposes to voters. But, throughout this litigation, and related litigation in 2018, Attorney General Maura Healey has conceded that the Amendment does not require any increase in education and transportation spending. Even proponents did not dispute, in the litigation, that the Amendment does not actually require education and transportation spending above current spending levels. The Court's decision is consistent with the parties' agreement that the Amendment does not require increased education and transportation spending. Indeed, the Court's decision rested on its conclusion that the Attorney General's summary adequately informs voters that "the expenditure of monies for the stated purposes [i.e., education and transportation] would be contingent on ('subject to') an action of the Legislature." Put simply, a vote in favor of the Amendment is not a vote in favor of education and transportation spending, it is a vote for a tax increase that can be spent at the Legislature's discretion.

"Plaintiffs filed this lawsuit to ensure that voters accurately understand what they are voting for in November—our Constitution and basic principles of good governance require no less," said Kevin Martin, partner at Goodwin Procter and counsel for the Plaintiffs. "The parties all agreed that the Legislature can use the money raised by the new tax to increase spending on whatever it wants. The Court did not disagree. Plaintiffs are disappointed that the Court will nevertheless allow this misleading proposal to go before voters without the fair and accurate summary our Constitution requires."

It is vital that voters understand this point: The Amendment will **not necessarily lead to increased education and transportation spending**. How to spend the new revenue would be entirely up to the Legislature. Any contrary suggestion from proponents would conflict with Attorney General Maura Healey's position in this litigation.

"Our goal with this effort was to assure voters are fully informed before voting on whether to make a far-reaching change to the Massachusetts Constitution," said Chris Anderson. "On five previous occasions, Massachusetts citizens have considered ballot initiatives that would empower the Legislature to establish a graduated income tax and the citizens rejected all five. We are disappointed that this sixth

attempt will be accompanied by a summary that misleads voters into believing that the Amendment will guarantee additional funding for either transportation or education."

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 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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