



MASSACHUSETTS  
**HIGH TECHNOLOGY COUNCIL**

*Dedicated to Growth... Committed to Action*

June 29, 2022

**State Government News & Public Policy Updates**

**Mass. Supreme Judicial Court "Passes" on Providing Voters with an Improved Summary of the Proposed Graduated Income Tax Amendment**

On June 22, the Massachusetts Supreme Judicial Court issued its ruling on the Legislature's proposed tax amendment to the Massachusetts Constitution, which, if approved by voters, would levy an additional tax of four percent on incomes over one million dollars. In its ruling, the Court missed an opportunity to clarify the misleading language of the proposed Amendment itself, and the Attorney General's proposed summary for voters.

We are disappointed in the Court's relatively weak decision. The result is a misleading summary description of the Legislature's Tax Amendment will be provided to voters ahead of the November 2022 statewide election. The Council-led litigation was nonetheless successful in demonstrating, beyond any reasonable dispute, that the Legislature's Tax Amendment does not guarantee an increase in the only two areas of supposed additional spending: education and transportation.

The Council is grateful to the fifty-four other plaintiffs who joined Council President, Chris Anderson, in the litigation effort. The Council's time and resources now turn to amplify the truth to voters: **that the Legislature has complete discretion over how the new tax revenues would be spent.**

Put simply, a vote in favor of the Tax 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.

See our statement on the Supreme Judicial Court's ruling [here](#).



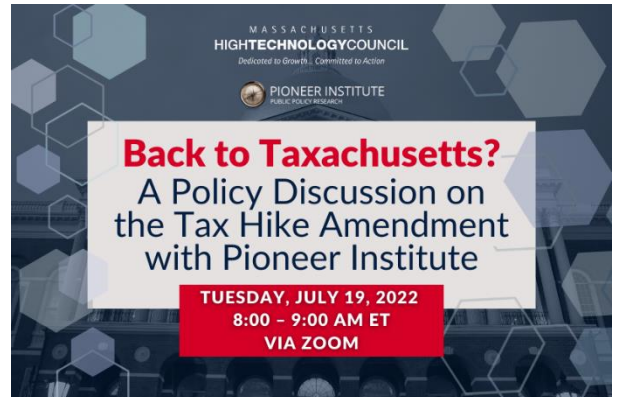
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**Back to Taxachusetts? A Policy Discussion on the Legislature's Tax Hike Amendment with Pioneer Institute**

The Legislature's Tax Hike Amendment to the Mass. Constitution will go before voters in November. If passed, this 80% increase would be the largest in state history. Not only would the tax fall primarily on retirees and small businesses, but it would also exacerbate the flight of talent and wealth from Massachusetts, hand a blank check to legislators when the state is already flush with billions of dollars in revenue surpluses, and—because the Amendment would alter the Constitution—would take many years to reverse if passed.

On [Tuesday, July 19 at 8:00 AM](#) the High Tech will present a virtual Policy Series discussion on the Tax Hike Amendment and how it would upend one of the best economies in the nation.

Focused on Pioneer's new book, [Back to Taxachusetts?](#), a distillation of 24 studies conducted by the Institute examining the damaging impact of the proposed Amendment, the online event will feature commentary on whom the proposed Amendment would affect, why it would likely lead to an exodus of homeowners, retirees, and small business owners, and how this outmigration would cause significant harm to Massachusetts' economy. There will be a Q&A session following the discussion, and all who attend will receive a complimentary copy of the book.



[Click Here to RSVP](#)

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## Massachusetts Budget & Revenue Update

The final form of the FY23 budget is currently under negotiation in a conference committee—and the clock is ticking as conferees work to produce a final budget before July 1. In the interim, the Governor and legislative leadership have worked out a 1/12<sup>th</sup> budget to keep the government operating. Budget conference negotiations proceed alongside other conference committees seeking to finalize legislation on sports betting, energy and climate, and other areas before the end of the session on July 31.

Though the Senate adopted Early College-related amendments that the Council supported, the chamber decided not to advance any tax relief amendments in their \$49.9 billion budget. Leaders in both chambers have indicated an interest in targeted tax relief, including the Commonwealth's outdated estate tax. The Council [continues to support](#) the Governor's tax relief package and common-sense reforms to ensure a more competitive tax environment, including proposals for reducing the short-term capital gains tax rate and raising the estate tax threshold.

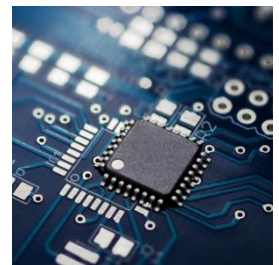
Meanwhile, state tax collections continue to flow at historic levels. Collections in the month of May once again came in well over expectations, contributing \$186 million (eight percent above benchmark) to what is expected to be a multi-billion-dollar surplus to close out the fiscal year. As Governor Baker mentioned at the Council's [2022 Annual Meeting](#), the Administration's entire \$700 million tax plan could be paid for twice with just the tax revenue that came in over budget in the month of April.



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## Other Policy News & Developments

- On June 27, Council members joined an impromptu roundtable discussion with U.S. Congressman Darin LaHood (R-IL 16<sup>th</sup> District) hosted by Bob Reynolds at Putnam Investments. The conversation covered developments in the U.S. Bipartisan Innovation Act and its implications for domestic semiconductor manufacturing. The Council is grateful to Congressman LaHood for a productive discussion on federal developments that have important implications for one of Massachusetts' most important industries—and U.S. competitiveness more broadly.
- Next month, the Commonwealth will sell \$2.7 billion in special obligation bonds to cover the cost of the remaining \$1.8 billion in federal advances for pandemic-related unemployment benefits. Massachusetts originally received \$2.3 billion in advances but used \$500 million in the federal American Rescue Plan Act (ARPA) to offset a modest portion of the balance. The Governor's Administration & Finance team consulted with the Council and other employer organizations earlier this spring to seek input on their go-to-market plans and the optimal bonding amount. The Administration's analysis indicates the bonding will help to ensure lower unemployment tax rates and rate stability for employers by bringing the UI Trust Fund to a significantly higher balance. If you'd like to learn more about the Administration's bonding plan, please reach out to [Matt Blackburn](#).
- On June 14, the Massachusetts Supreme Judicial Court struck down a ballot question that, if passed, would have ensured app-based drivers remain classified as "independent contractors" while giving them a comprehensive benefits structure. As a member of the [Flexibility and Benefits for Massachusetts Drivers Coalition](#), the Council is committed to supporting legislative solutions to ensure that app-based driving companies can continue to operate in the Commonwealth and drivers can continue to get the flexibility that the majority seek in app-based services.
- On June 2, the Council submitted public comments supporting the Department of Elementary and Secondary Education Commissioner's proposal to raise the MCAS exam graduation standards. See our comments [here](#).
- On May 16, the [Massachusetts Supreme Judicial Court \(SJC\) ruled](#) that Massachusetts' application of capital gains tax on an out-of-state company was invalid. Though not limited by the state's Constitutional authority to tax a corporation without domicile in



the Commonwealth, the SJC found that the Department of Revenue (DOR) did not have statutory authority because of the state's adherence to the unitary business principle: a standard that limits capital gains taxation of a corporation for which business activities don't meet specific standards of centralization and interdependence. The case raised concerns that, if the state's application of capital gains was ruled valid, many other instances of nondomicile companies doing business in the Commonwealth would be subject to the same tax treatment without meeting the definition of a unitary business.

- **ICYMI:** Check out the Council's [latest MATTERS blog](#) focused on Massachusetts' technical talent shortage.

## MHTC News & Updates

### Council Leaders Tour the Most Advanced Hospital Building in Boston

On June 28, MHTC leaders took a one-of-a-kind hard hat tour of [Beth Israel Deaconess Medical Center's](#) new inpatient building site.



Hosted by Council Directors **Pete Healy**, BIDMC President, and **Aron Ain**, **UKG** Chairman and CEO, and BIDMC Trustee, the group had the unique opportunity to see what the BIDMC team has been conceptualizing, planning, and putting into action cutting-edge technology to meet the needs of patients, their families, physicians, nurses, staff, and the community for the coming decades. Arguably Boston's most ambitious construction undertaking today, the building will open in March 2023.

### Latest MassVision2050 Program Explores the Importance of Investing in Cyber Resilience

Cyber-attacks are a growing threat to public safety and our national and economic security. Regardless of size or industry, every institution is a reachable target, which is why it is imperative for all organizations to invest in cybersecurity **and** cyber resilience.



On June 23, **Aron Ain**, **Corey Thomas**, Chairman and CEO of **Rapid7**, **Justin Greis**, Partner at **McKinsey & Company**, and **Mark Bristow**, Director of **MITRE's Cyber Infrastructure Protection Innovation Center**, joined the Council to discuss the ever-evolving cybersecurity landscape for the second **MassVision2050** program, **Cybersecurity & Cyber Resilience**. Along with sharing lessons learned from experiencing cyber-attacks first-hand and advice for other CEOs and senior leaders, our panelists discussed:

- Cyber risks institutions across all industries and of all sizes face today

- Cyber resiliency—the ability to anticipate, withstand, recover from, and adapt to adverse conditions, stresses, attacks, or compromises on cyber resources
- The importance of investing in both cybersecurity and cyber resiliency to ensure operational and business continuity with minimal impact
- How Massachusetts can position our technology resources and amplify essential public policies to address future challenges

Missed last week's event? Catch up now by watching the webinar recording.

[Click Here to Watch](#)

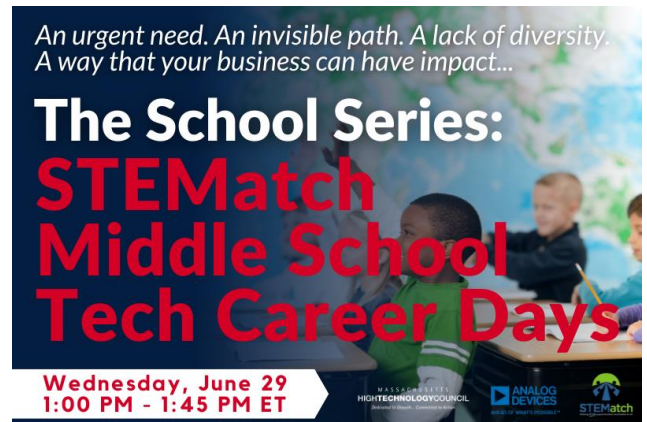
## LAST CHANCE TO RSVP! MHTC School Series: STEMatch Middle School Tech Career Days

There are thousands of unfilled, good-paying tech jobs in Massachusetts. Despite this critical need, a significant Black and Latino representation gap continues to exist within our current tech workforce and the pipeline of future talent. The problem starts in middle schools in majority-minority and lower-income communities, where interest in STEM subjects drops by as much as 44%.

### A Low Investment/High Return Program for Businesses

[STEMatch](#) has created a program that enables businesses—with a very small investment of time and money—to impact young students' lives, address this problem, and build their internal culture and team.

Join us [TODAY at 1:00 PM ET](#) for a 45-minute roundtable with Council Director and STEMatch Founder, **Chris Zannetos**, who will discuss why it is critical to foster early interest in STEM fields—particularly within lower-income communities—to address both the chronic shortage of tech talent and the persistent representation and opportunity gaps for underrepresented communities with **Mark Coggin**, Vice President of Marketing at Care Everywhere, and **Kathy Wright**, Lead Coach and Program Manager at the Boston Public Schools STEM Department.



[Click Here to RSVP](#)

### Tech Career Days: Helping More Students Visualize a Future in STEM

STEMatch partners Boston Public Middle Schools with tech companies to host career days that introduce students to the many opportunities and possibilities that exist for them within STEM fields. It's a light lift for companies, a rewarding engagement for their employees, and a deeply impactful experience for the students who participate.

## MHTC MEMBER REQUEST: BRE Ambition & Priority Actions Survey

Last year, the Council conducted an Ambition Survey to supplement the more extensive Diversity, Equity, and Opportunity survey filled out by [Black Representation & Equity \(BRE\)](#) anchor team members. This Ambition Survey was created to establish a baseline to measure progress and amplify “pockets of excellence/commitments to BRE.” The results are live on our website and can be viewed [here](#).

We are now in the second year of the program to drive social mobility by connecting our employment and career advancement opportunities with new and existing talent strategies.

### Your Support is Needed:

It is time to refresh the data to see where we collectively have progressed—or where there are opportunities to improve—and share additional best practices within our membership and/or from external thought leaders. We would like our members to [complete a confidential 5–10-minute survey](#) administered by Bain & Company so that we can capture the status around the following topics:



- Understand how your organization has defined or is planning to define its DEO/BRE ambition
- Capture specific DEO/BRE efforts that your organization already has underway
- Confirm point of departure for Black employee representation in your organization

Please take a few minutes to complete the MHTC BRE Ambition and Priority Actions survey by [TOMORROW, June 30, 2022](#).

[Click Here to Take the BRE Ambition Survey](#)

*Note: the survey can be completed by a senior executive within/familiar with your organization's talent management (C-suite, CEO, CRHO, etc.) Please reach out to the Council's Program Manager, [Anita Alden](#), with questions.*

## Help Our Heroes Heal: Run to Home Base

**Military suicides have increased 20% since the onset of the pandemic, with nearly 20 veterans losing their lives to suicide each day.**

[Home Base](#), a Red Sox Foundation and Massachusetts General Hospital Program, is dedicated to healing the invisible wounds for veterans of all eras, service members, military families, and families of the fallen through world-class clinical care, wellness, education, and research.

At the [2022 Annual Meeting](#), the Council announced the relaunch of TechVets [through a new partnership](#) with [Monster](#) and Home Base to educate employers on the value of US military veteran hiring. The TechVets initiative will provide resources and expertise for transitioning military personnel as they begin their civilian careers. The partnership will focus on two critical aspects of veteran hiring—1) training and credentialing of employers; and 2) education and job-search preparation for veteran candidates. We're proud to reinforce this commitment to the men and women who serve our nation and to collaborate with Monster and Home Base on this critical talent strategy.

The care provided by Home Base is needed now more than ever, as the extended COVID crisis continues to further impact the well-being of our veterans, service members, and their families. On July 30, the nonprofit's [13<sup>th</sup> Annual Run to Home Base fundraiser](#) will take place virtually and at Fenway Park.

Run to Home Base, presented by Raytheon Technologies, is Home Base's most critical annual fundraiser, providing vital funds for the clinical care and support for our veterans and their families who are impacted by the invisible wounds of war. This unique fundraising 9K run, or 5K run/walk, takes participants through Boston, ending with the unforgettable experience of crossing "home base" at historic Fenway Park.

[Register for the Run to Home Base](#) and help Home Base provide access to life-changing, lifesaving care for the veterans, service members, and families who need it most.



## MHTC in the News

- [Rationing Contraception Pills and Ghost Kitchens](#), Bloomberg Baystate Business Radio, June 28, 2022
- [More community groups join coalition backing millionaires tax](#), *Boston Business Journal*, June 28, 2022
- [The "Millionaires Tax" in Massachusetts](#), WBZ NewsRadio NightSide with Dan Rea, June 22, 2022
- [Massachusetts high court delivers win to 'millionaire tax' proponents; measure will appear on ballot without changes](#), MassLive, June 22, 2022
- [High court clears millionaire tax question for Massachusetts ballot](#), *Boston Herald*, June 22, 2022
- [Mass. high court shoots down challenge to millionaires tax ballot summary](#), *Boston Business Journal*, June 22, 2022
- [SJC approves millionaire tax ballot summary](#), *Commonwealth Magazine*, June 22, 2022
- [Morning Briefs: SJC Surtax Ruling | Biden's Gas Tax Holiday | New Trains Offline Again](#), State House News Service, June 22, 2022
- [Mass. high court rules 'millionaires tax' question was written 'fairly.' It goes before voters in November.](#), *Boston Globe*, June 22, 2022
- [High court rules wording of 'millionaire tax' question fair](#), AP, June 22, 2022
- [Mass. Top Court Blesses 'Millionaires' Tax' Ballot Question](#), Law360, June 22, 2022
- [SJC upholds millionaires' tax ballot question](#), *The Eagle-Tribune*, June 22, 2022
- [Massachusetts high court clears way for millionaire's surtax ballot question](#), WBUR, June 22, 2022
- [Business leaders react to Raytheon's HQ move out of Mass.](#), *Boston Business Journal*, June 7, 2022
- [Raytheon relocating headquarters from Waltham to just outside DC](#), *Boston Globe*, June 7, 2022

## 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 that 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](#).

