



MASSACHUSETTS  
**HIGH TECHNOLOGY COUNCIL**

*Dedicated to Growth... Committed to Action*

May 12, 2022

## State Government News & Policy Updates

### An Update on Our Legal Challenge to the Proposed Graduated Income Tax Amendment

On Wednesday, May 4, the Massachusetts Supreme Judicial Court heard oral arguments on the Legislature's proposed amendment to the Massachusetts Constitution, which would levy an additional tax of 4% on incomes over one million dollars. See our May 4 statement [here](#).

Representing Council President Chris Anderson and 54 other plaintiffs, Goodwin Procter Attorney, Kevin Martin, made the case for why the summary language as drafted would mislead voters. Representing the Attorney General's Office, Assistant Attorney General Robert Toone argued that the existing language is adequate for voter understanding. A decision from the Court is expected in June. Below is a summary of oral arguments from both sides:



#### Counsel for the plaintiffs argued:

- Amendments to the constitution are rare, voters are entitled to fair summaries, and the summary in question was designed to be misleading to attract voters to the specific spending reference.
- Two prior SJC cases on the summary issue do not dictate the outcome of this case because they involved only statutes and the spending language at issue in those cases were "mere details" whereas the evidence in this case shows the spending earmark is material and has real-world impact.
- Unlike with a statute, voters may misunderstand what that language means in a constitutional amendment, pointing to the overwhelming evidence

#### Counsel for the Attorney General's Office argued:

- The Court's precedent holding, that "subject to appropriation" is sufficient to alert voters to the Legislature's spending discretion, controls this case, and the Plaintiffs' proposal would require the Attorney General to state unnecessary legal interpretation
- The legal standard, and the meaning of "subject to appropriation," are the same for statutes and constitutional amendments, and changing the summary would be more confusing to voters than the current summary.
- Although the Attorney General stated in her 2018 brief that the legislature retains spending discretion, the law regarding whether the legislature would be bound by the spending requirement is actually not settled.

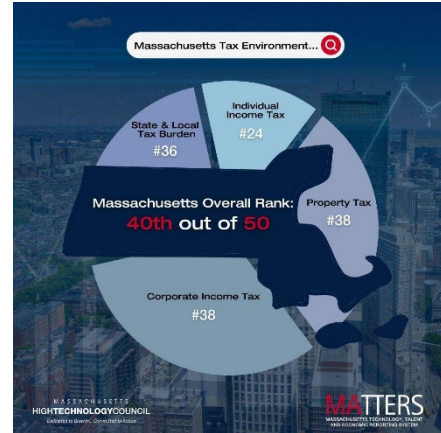
- showing the spending language was specifically added to influence voters.
- Even if the summary language is technically correct as worded, it can still be misleading to voters.
- The Plaintiffs' polling data should not be considered because it is unreliable, and the Court should consider that Plaintiffs will have an opportunity to make their argument in the Voters' Guide and in the "public arena."

You can also view the complete recording of oral arguments [here](#) (under *Anderson v. Attorney General*).

## State Tax Revenue Surpluses Keep Growing

Tax collections continue to well exceed benchmark this fiscal year across virtually every tax source. The Department of Revenue reported on May 4 that, in just the month of April, collections totaled \$6.9 billion, or \$2.1 billion (42.1 percent) above the Department's monthly benchmark. April corporate and business tax collections came in \$291 million (73.0 percent) above the benchmark. With two months remaining in the current fiscal year, the Commonwealth is looking at a surplus of \$3.6 billion (12.3 percent) above initial projections, after factoring in the changes from last year in how tax revenue sources are accounted for.

The fiscal context makes it clear that (1) Massachusetts is well-positioned to afford tax relief proposals, like those in the Governor's recommended package, [which the Council supports](#); and (2) there is no need for additional taxes designed solely to generate new revenue. As the Council pointed out in [our April blog](#), Massachusetts has one of the least competitive tax environments of all fifty states. But the Commonwealth has so far been an outlier in 2022 in being among a small group of states with initiatives to increase taxes while most other states have made efforts to provide tax relief and reform their tax codes amid rising inflation, consecutive annual surpluses, and historic federal resources. We continue to advocate for common sense tax relief this session in light of these factors.



## Other Policy-Related News

- On [Thursday, June 2, from 8:30 – 9:15 AM](#), the Council will host a virtual discussion with the Mayor of Salem and lieutenant governor candidate, Kim Driscoll. The conversation is part of our Policy Series, where we bring in policymakers, candidates for higher office, and industry experts to speak on policies of interest to our membership.

We invite members to join us to hear Mayor Driscoll's vision for the Commonwealth and her ideas for effective leadership in fostering Massachusetts' innovation economy.

Click [HERE](#) to register for this member-only discussion. For more information, contact the Council's Director of Policy & Research, [Matt Blackburn](#).

- On May 9, the Council [submitted testimony](#) supporting several proposals in Governor Baker's economic development legislation, H.4720 *An Act investing in future opportunities for resiliency, workforce, and revitalized downtowns*.
- Budget season continues as the Senate Ways and Means Committee released [its version of the FY23 budget](#) on May 10. The Committee took a pass on tax relief, deciding to pick that up in a separate vehicle later in the session, but retained several investments in workforce programs that we advocated for, including increases for Early College and Career Technical Institutes. As the Senate debates amendments, we will continue to advocate for targeted investments in workforce programs and unemployment insurance relief for employers [like we did for the House version](#) of the FY23 budget.
- On May 11, proponents of the Graduated Income Tax Amendment officially launched a ballot campaign in support of the Amendment, dubbed "[Fair Share for Massachusetts](#)."



# MHTC News & Updates

## Don't Miss Your Chance to RSVP for the 2022 In-Person Annual Meeting!

Our [2022 Annual Meeting](#) is almost here! On **Tuesday, May 24**, leaders from across the Commonwealth will join us at the Seaport Hotel as we celebrate the Council's 45 anniversary during the first in-person Annual Meeting since 2019. Join us for a robust program featuring:

- Keynote address from Massachusetts Governor Charlie Baker in one of his last official appearances
- Remarks from innovation scholar Neil Thompson, Ph.D., Director of the FutureTech Research Program at MIT's Computer Science & Artificial Intelligence Laboratory, on deeper trends in technology that complement our MassVision2050 initiative, a groundbreaking, multi-year collaboration to generate bold ideas to prepare Massachusetts for the opportunities and challenges of tomorrow
- Election of new Council Directors
- Updates on current priorities, progress in programs, and future topics relevant to fostering economic growth in the innovation economy

We are also pleased to announce that we will honor **Massachusetts Institute of Technology President L. Rafael Reif, Ph.D.** with the [2022 Ray Stata Leadership and Innovation Award](#)! As MIT's 17<sup>th</sup> president, Dr. Reif has led the institution's pioneering efforts to help redefine the future of higher education in response to the COVID-19 pandemic and its economic consequences, with a commitment to advancing diversity, equity, and inclusion. A champion for both fundamental science and MIT's signature style of interdisciplinary, problem-centered research, he is also pursuing an aggressive agenda to encourage innovation and entrepreneurship.



Don't wait to register for this incredible program, seats are filling up fast!

[Click Here to Register](#)

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## Join us for MassVision2050: Cybersecurity on June 23

Cyber-attacks are a growing threat to public safety and our national and economic security. In our current digital environment, every company, large or small, is now a reachable target. As cyber-attacks continue to become more sophisticated, leaders must take steps to improve their organization's cybersecurity and understand areas of vulnerability.

Join us on Thursday, June 23 at 3:00 PM ET for an important discussion on cybersecurity during the next MassVision2050 program. Focused on cyberinfrastructure and resiliency, experts from **UKG**, **Rapid7**, **MITRE**, and **McKinsey & Company** will discuss the ever-evolving cybersecurity landscape, and how Massachusetts can position our technology resources and amplify essential public policies to address new future challenges.



[Click Here to RSVP!](#)

**Missed the first Mass2050 event?** Watch the engaging forward-looking discussion focused on blue tech and climate resilience with Woods Hole Oceanographic Institute President and Director, Peter de Menocal, Analog Devices Chief Technology Officer, Dan Leibholz, MITRE Chief BlueTech Strategist, Nick Rotker, and McKinsey & Co. Partner, Rory Clune, [here](#).

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## MHTC School Series: 5-Minute Survey on Member K-12 STEM School Partnerships/Initiatives

[The School Series](#), led by 2022 Annual Sponsor Analog Devices, is committed to closing educational opportunity gaps that exist in too many under-resourced, high-need communities. To provide more students with accessible paths to high-growth STEM careers, which will build a more robust pipeline of future STEM talent, leaders of our private-sector innovation economy continue to find impactful ways to support the schools doing this important work.

Over the next six months, The School Series will spotlight K-12 schools and programs MHTC members are involved with or support, and we want to hear from you!

If there is a K-12 STEM program your company is connected to, please let us know by completing this quick survey by June

3: <https://www.surveymonkey.com/r/K-12Initiatives-MHTCSchoolSeries>.



## MHTC in the News

- [Business groups urge high court to clarify 'millionaires tax'](#), *Eagle Tribune*, May 2, 2022
- [BostInno Approved: Here are the May events you need to know about](#), *The Business Journals*, May 2, 2022
- [State's Supreme Judicial Court to hear arguments on millionaire's tax](#), *Boston Herald*, May 3, 2022



- [State high court weighs wording of millionaires' tax question](#), *Gloucester Daily Times*, May 4, 2022
- [Mass. High court judges hear ballot question arguments](#), *Boston Herald*, May 4, 2022
- [On 'millionaires tax' ballot question, Mass. high court weighs just how well voters speak legalese](#), *The Boston Globe*, May 4, 2022
- [Court Judging Fairness of Income Surtax Summary](#), State House News Service, May 4, 2022
- [Tax breaks' big break on Beacon Hill](#), POLITICO Massachusetts Playbook, May 5, 2022
- [Hearings on "Millionaires Tax" and Surging Diesel](#), Bloomberg Baystate Business Radio, May 6, 2022 (13:10)

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#### 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](#).

