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The Massachusetts High Technology Council's 2023 Policy Agenda

The High Tech Council's core philosophy and policy approach for protecting and enhancing Massachusetts' business climate competitiveness, workforce, and innovation ecosystem

Burlington, Massachusetts (February 23, 2023): Today, the Massachusetts High Technology Council released its vision for what it will take to rehabilitate the Massachusetts business climate. Massachusetts' business leaders, including those represented by the High Tech Council, are seeing a reversal of the strong business climate that supported investment and job growth for the past decade. Like other states, Massachusetts and its businesses are struggling with inflationary pressures, interest rate hikes, and workforce shortages. But some of the economic headwinds here are unique to Massachusetts and of the state's own making, including a high cost of living and the recently passed income surtax.

Following the November 2022 statewide elections, the voter-approved four percent surtax is unleashing an expanding series of consequences that are damaging the Massachusetts economy. While other states – across the political spectrum – are enacting tax relief, Massachusetts is seeing an accelerated pace of redomesticating among former residents, retirees, and business executives who are now calling Florida or New Hampshire “home.”

Several organizations have recently joined the High Tech Council in raising the alarm about the economic future of Massachusetts and have offered their own solutions. The High Tech Council is directionally aligned with many of these proposals, but is concerned that, in some cases, they don't go far enough and will not be sufficient to rescue Massachusetts' declining business climate. At such a critical juncture for the future of Massachusetts, the state needs bold action, not small steps.

“It is critically important that the state's leaders take steps now to rehabilitate the business climate in Massachusetts or risk losing more people, employers, and tax revenue to other states,” said High Tech Council President Chris Anderson. “The High Tech Council is eager to work with Governor Healey and the Legislature to return Massachusetts to a position of strength and regain our competitive advantage.”

Informed by member input and driven by data, the High Tech Council's policy agenda focuses on three areas that are fundamental to the health of the technology, innovation, and sciences sectors, and the broader state economy:

1. Critical Mass: Business Climate Competitiveness

The High Tech Council supports policies that will create new competitive advantages for the state and eliminate anti-competitive taxes, policies, regulations, and other barriers to private-sector growth, while also accelerating sustainable investment in transportation and critical public infrastructure.

The steps which could help turn the tide for Massachusetts in 2023 include, but are not limited to:

- Tackling the “negatives” where **Massachusetts is a national outlier** for businesses' site location assessments, such as our [corporate tax burden and high cost of living](#).
- Incentivizing investment and recapturing lost revenue by **modernizing the R&D and investment tax credits and reducing the short-term capital gains rate**.

- Addressing one incentive for taxpayers to leave the state by aligning the **estate tax** with the federal threshold (\$12.9M for 2023).
- In the short-term, addressing **predicted *and* unintended consequences of the income surtax amendment**, including exempting home sales from the surtax, and addressing the potential for double taxation for taxes paid in other states.
- The voter-approved statutory **limit on the growth of state tax revenue** (Chapter 62F) is an important fiscal discipline budget tool and taxpayer safeguard that should be protected.

2. The Engaged Workforce

The High Tech Council supports education and workforce development policies and investments to expand technology employers’ access to talent pools and workers’ access to employment opportunities across the innovation economy. We continue to advocate for rigorous education standards and effective workforce training policies. These policies include:

- Expanding access to career pathways for students, including Early College, Innovation Pathways, and STEM and vocational programs.
- Leveraging new middle-skills models for community college-employer partnerships, like [STEMatch](#).
- Protecting the state’s high-quality public education standards and assessment, which have made Massachusetts a national leader in K-12 education.
- Supporting diverse pathways programs, such as Early College and P-Tech schools, to widen the funnel of diverse applicants for technology industry careers.

3. MassVision2050

[MassVision2050](#) is a sustained, multi-year collaboration between private, public, and academic leaders to generate bold ideas for Massachusetts’ future. MassVision2050’s goal is to select the most important trends in technology, determine their implications for Massachusetts and global challenges, and publish the results – focusing on strategies that support the key sectors likely to drive employment and economic growth in Massachusetts in the coming decades.

Sectors:

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|--|-----------------------------------|
| • Artificial Intelligence | • Financial Technology (FinTech) |
| • Blue Technology/Maritime Innovation (BlueTech) | • Health Technology (Health Tech) |
| • Clean Energy/Clean Technology | • Life Science Innovation |
| • Cybersecurity | • Semiconductors |
| | • Software |

Cross-Cutting Topics and Key Considerations:

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|----------------------------|------------------|
| • Future of Work/Talent | • Transportation |
| • Supply Chain Enhancement | • Housing |
| • Robotics | |

The High Tech Council is committed to working with policymakers to enhance the state’s competitive strengths and address where we need to improve by advancing pro-growth policies to accelerate capital investment and job creation; expand social and economic mobility; enhance the quality of life for Massachusetts residents; and leverage the contributions of technology, innovation, and scientific employers for the economic well-being and fiscal health of the Commonwealth.

About the Massachusetts High Technology Council

The [Massachusetts High Technology Council, Inc.](#) is an organization of CEOs and senior executives representing innovation, technology, and scientific companies; professional services firms; and research institutions dedicated to collaborating to create and sustain 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 and scientific products, services, and innovations to advance their organizational objectives—a definition that covers just about all business enterprises in Massachusetts today.

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