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The Massachusetts High Technology Council's Statement on the House's Tax Reform Proposal

In the midst of accelerated outmigration of taxpayers, the Massachusetts High Technology Council supports the proposals offered by the Speaker and House leadership for advancing a tax reform package that recognizes the competitive challenges posed by Massachusetts' position as a national outlier on high taxes. Massachusetts investors and employers are confronting strong economic headwinds, and state action is urgently needed to address the continued loss of residents and businesses to other states.

Increasing the estate tax exemption, reducing the short-term capital gains rate, and establishing single sales factor apportionment are all steps in the right direction, but should be viewed as a down payment on the further and necessary reforms to improve our competitive position relative to other states and rehabilitate Massachusetts' declining business climate.

However, the High Tech Council is disappointed by the House's efforts to undermine two important taxpayer protection provisions. First, changing the distribution of tax refunds under the voter-approved Chapter 62F state tax revenue growth limit. Changing the tax rebate to redistribute income is likely unconstitutional. Second, increasing the cap on the stabilization fund balance is a troubling attempt to avoid triggering a deposit into the Tax Reduction Fund and returning money to the taxpayers during a period of unprecedented revenue growth.

The High Tech Council urges the House to reject these changes to Chapter 62F and the stabilization fund cap and to support tax reform measures that will make Massachusetts more competitive.

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.

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 businesses within the innovation ecosystem.

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