



Friday, October 3, 2025

Chair James Eldridge
Joint Committee on Revenue
24 Beacon St, Room 511-C
Boston, MA 02133

Chair Adrian Madaro
Joint Committee on Revenue
24 Beacon St, Room 34
Boston, MA 02133

To the Chairs and Members of the Joint Committee on Revenue,

Thank you for the opportunity to submit testimony on behalf of the Mass Opportunity Alliance, or “MOA.” Our coalition was founded by leaders at the Massachusetts Competitive Partnership, Massachusetts High Tech Council, and Pioneer Institute to promote our Commonwealth’s competitiveness, which has been declining in recent years. Together with our allied organizations, MOA represents more than 10,000 Massachusetts businesses.

We write to share MOA’s concerns about the harmful proposals in H.3110 and S.2033 to increase corporate taxes on certain Massachusetts businesses.

Let’s look at how we got here.

Several decades ago, Massachusetts’ economy was in a state of freefall: our “Taxachusetts” nickname, spurred by some of the highest taxes in the nation, drove families out of state, warned businesses to stay out, and led to double-digit unemployment. State leaders committed to rebranding and fixing these problems for residents and businesses through a strategy of fiscal responsibility. The state limited tax increases and curtailed out-of-control spending, ushering in a new era of prosperity and growth here in the Commonwealth.¹

As a result, roughly a decade ago, Massachusetts was leading the nation in education², innovation, and economic growth.³ Unfortunately, in recent years, taxes and spending have again risen drastically, hurting our state’s competitiveness among residents and businesses.

Now, facing external fiscal pressure, supporters of raising corporate taxes claim this is the best solution to fill perceived revenue gaps. They also argue that expanding the state’s already out-of-control spending is necessary to keep providing various services to residents. It’s a classic case of good intentions gone wrong: This proposal would also drive more businesses, jobs, and taxpayers out of the state, leaving those who stay to foot the bill for more state spending.



Massachusetts' Economy Lags While State Spending Soars

Massachusetts has a lot going for it, with world-class research and higher education institutions, a robust innovation economy, and a great quality of life. But when it comes to the cost of living and doing business in the state, we continue to fall behind.

State spending has skyrocketed since 2018 – a staggering increase of more than 50% (\$20 billion).⁴ In short, we are spending more and not getting a return on the investment. That's not just our opinion: According to a recent survey of Massachusetts voters, only 13% of Massachusetts taxpayers say they “definitely” receive a good value for their tax dollars. Furthermore, two-thirds say they do not believe state services would be improved by higher taxes.⁵

Meanwhile, our **tax burden** is one of the highest nationwide.⁶ According to the Tax Foundation, Massachusetts has the ninth-highest individual income taxes and corporate taxes are also among the highest in the country.⁷

Private sector **job growth** has stagnated.⁸ Massachusetts was one of the only states in the country since 2020 to *lose* private sector jobs, while our neighbor and competitor states are growing and adding jobs at much higher rates. One recent poll shows a majority of residents (60%) are concerned about losing their jobs in the next year.

The confluence of these problems means that for several years in a row, Massachusetts has ranked as one of the worst states for high costs of doing business by CNBC⁹, and deemed one of the less competitive states to live in by the Massachusetts Society of CPAs.¹⁰

Massachusetts Has Taxed Away Many Of Its Residents and Businesses

In an acknowledgement of the struggles facing Massachusetts taxpayers, the legislature passed a range of tax cuts in 2023 aimed at “areas of the tax code where Massachusetts is an outlier.”¹¹ The proposal H.3110 and S.2033 flies in the face of that sentiment and would *again* make Massachusetts an outlier in taxing companies doing business here.

For certain special interests, their primary response to concerning economic trends is to raise taxes and fees. Now, we're reaching a critical threshold of concern about Massachusetts' competitiveness and cost of living.

- A large majority of taxpayers (82%) believe their taxes are too high. This sentiment holds across all income brackets.¹²



- Tax policy is now a top reason people are leaving the state, according to a survey conducted of former Massachusetts residents.¹³
- Nearly 1 in 3 surveyed Massachusetts residents said they have considered moving out of state in the last year.¹⁴

According to the latest Internal Revenue Service data, Massachusetts is experiencing a crisis of net taxpayer outmigration, meaning more people are leaving the state than coming in. This has been occurring for over a decade but has gotten significantly worse in the last several years.¹⁵ This is in part due to the high cost of living and taxes for individuals and families, but could also be triggered by businesses moving out of state and taking employees with them.

More Of The Same Tax-and-Spend Philosophy Is Not The Answer

New data from the Massachusetts Taxpayers Foundation indicates that **Massachusetts is dead last in private sector job growth since the beginning of the pandemic** – high costs, including high tax costs, have been pushing jobs, investment, and people out of our state.¹⁶ We should be doing all we can to **reduce** those costs, not make a bad situation even worse.

The proposal in H.3110 and S.2033 to increase the share of corporations' global intangible low-taxed income (GILTI) would put Massachusetts among the worst in the nation for yet another tax category and make Massachusetts' business environment even more complicated for companies looking to operate here.

The proponents of this idea suggest that it's a mainstream tax policy choice, but passing this legislation would put Massachusetts out of step with a majority of states, including many of our economic competitors.

- Massachusetts' nearby peer states – New York, New Jersey, and Connecticut – follow the same existing 5% inclusion rule as the Commonwealth.
- Looking further beyond our state border, many large competitor states have no GILTI inclusion, including California, Texas, Florida, Pennsylvania, Ohio, North Carolina, and Michigan.

A Spending Problem, Not A Revenue Problem

Department of Revenue Commissioner Geoffrey Snyder reported the federal tax cut bill could reduce Massachusetts' revenues by \$650 million this year.¹⁷ While not insignificant, when put into context, that sum accounts for 1% of this year's budget.¹⁸



The truth is that revenue is not the problem for Massachusetts. The state has no shortage of revenue, which has grown faster than inflation and personal income.¹⁹ We should be talking about solutions that more efficiently spend our tax dollars to boost our economy, help residents address the cost-of-living crisis, and make Massachusetts more attractive for residents and businesses.

A prospering economy means more state and local dollars funding schools, infrastructure, and other key tax-funded services. The proposal we are discussing today would only make Massachusetts more of an economic outlier, place a higher tax burden on businesses and residents who are still here, raise costs, and drive even more families and businesses out of state, further endangering our economic well-being.

We respectfully urge you not to advance H.3110 and S.2033 out of Committee.

Sincerely,

Christopher R. Anderson

President, Massachusetts High Technology Council

Jay Ash

President & CEO, Massachusetts Competitive Partnership

Jim Stergios

Executive Director, Pioneer Institute



¹ [Deseret News](#)

² [Pioneer Institute](#)

³ [U.S. Bureau of Economic Analysis](#)

⁴ [Massachusetts Department of Revenue](#); Mass Opportunity Alliance: [“Massachusetts Has a Spending Problem”](#)

⁵ Mass Opportunity Alliance, [March 2025 poll](#)

⁶ [Tax Foundation](#); Mass Opportunity Alliance: [“What Do Bay Staters Pay Annually in Taxes?”](#)

⁷ [Tax Foundation](#)

⁸ Mass Opportunity Alliance: [“Massachusetts is Missing from New England’s Job Growth Trends”](#)

⁹ Mass Opportunity Alliance: [“Despite Improvements, Mass. Ranks Among Worst States for Cost of Doing Business”](#)

¹⁰ Mass Opportunity Alliance: [“FACT CHECK: Is Mass’ Tax Climate Driving Away High-Income Residents and Businesses?”](#)

¹¹ [Governor Maura Healey](#)

¹² Mass Opportunity Alliance, [September 2024 poll](#)

¹³ Mass Opportunity Alliance: [“Mass Exodus: A Survey of Former Massachusetts Residents on Reasons for Leaving”](#)

¹⁴ Mass Opportunity Alliance, [September 2024 poll](#)

¹⁵ [Pioneer Institute](#)

¹⁶ Massachusetts Taxpayers Foundation, [“Massachusetts Competitiveness Index 2025”](#)

¹⁷ [Boston Globe](#)

¹⁸ Mass Opportunity Alliance: [“Massachusetts Has a Spending Problem”](#)

¹⁹ Mass Opportunity Alliance: [“Massachusetts Budget Reality Check”](#); Mass Opportunity Alliance: [“Budget Spotlight: Rethinking Massachusetts’ Tax Cap To Better Serve Residents”](#)