

April 28, 2025

Representative Ronald Mariano, Speaker
Massachusetts House of Representatives
State House, Room 356
Boston, MA 02133

Representative Aaron Michlewitz, Chair
House Committee on Ways and Means
State House, Room 243
Boston, MA 02133

Dear Speaker Mariano and Chair Michlewitz,

On behalf of the Greater Boston Chamber of Commerce and our 1,200 members, I would like to thank you and your staff for your work in crafting the House's FY26 budget (H.4000). The Chamber appreciates the efforts of you and your colleagues to prioritize fiscal responsibility by limiting budget growth, and by reviewing proposed spending and policies through a lens of competitiveness.

The Chamber was pleased to see several of our priorities included in the FY26 House Budget, including critical funding for the MBTA, RTAs, C3 Stabilization Grants, Small Business Technical Assistance Grants, and workforce development funding through early college, dual enrollment and CVTE. As you begin the debate process, we offer the following additional feedback on several filed amendments for your consideration.

Housing

OPPOSE: Amendments Weakening the MBTA Communities Act

The Chamber supported the Legislature's passage of the MBTA Communities Act that encourages new housing production around public transit nodes along the MBTA's rapid transit and commuter rail systems. Amendments 311, 572, 585, and 1643 aim to slow important progress on municipal compliance with section 3A of chapter 40A by delaying deadlines for compliance, allowing past construction to qualify, or imposing an unnecessary judicial review. These efforts undermine the modest requirements of the current law to develop greatly needed housing units throughout the Commonwealth. Cities and towns in the greater Boston area saw the fewest privately owned housing permits through the first 3 months of 2025, the slowest start since 2013.ⁱ In this context, the MBTA Communities, only one tool for housing production, is more important than ever.

It is important to note the law does not actually require the construction of any new housing, but only to ease the zoning requirements in a small area of each municipality located near transit options. The MBTA's Communities Act was supported by wide margins in the Legislature and Governor Baker in 2020. We encourage the House to reject these amendments.

Business Climate

SUPPORT: Amendment 546 (Jones) 529 Savings Plan Deduction Increase

The Chamber supports increasing the allowable deduction for contributions to 529 savings plans, allowing residents to save for college or other education related options. 529 savings plans are a useful tool for families to plan for available education options while building resources over time to help with tuition or fees related to educational programs. As you know, workers with a bachelor's degree are far less likely to be unemployed as their peers with a high school diploma and earn 66% more in weekly earnings.ⁱⁱ Employers support tools such as 529 plans to make it easier for upcoming students to learn necessary skills to succeed in the workplace. As demographic shifts make it harder for Massachusetts employers to find qualified talent, supporting strong, high quality education options is vital to ongoing success in Massachusetts, and 529 savings plans expand opportunities for students to achieve positive outcomes in their personal and professional lives.

NEUTRAL: Amendment 548 (Jones) Unemployment Insurance Reform Commission

While the Chamber does not believe a commission is necessary, amendment #548 raises the important subject of the sustainability of the Commonwealth's unemployment insurance system, scheduled to become insolvent by 2028 despite significant schedule rate increases in taxes on employers. As you know, the Commonwealth ranks 47th in its UI tax burden in 2025.ⁱⁱⁱ This places Massachusetts at a significant disadvantage with its competitor states. Additionally, employers are still paying an annual COVID-19 assessment, totaling an estimated \$349 million in 2025 and likely remaining above \$300 million a year through 2028. To keep the UI Trust Fund solvent, the predicted rate schedule, and associated higher costs, will jump from Schedule D to Schedule F in 2026, not factoring in either the COVID assessment, and now, the \$203 million annual repayment due to the federal government for improperly utilizing federal funds for UI benefits during the pandemic. The Chamber stands ready to partner with legislators to discuss potential reforms to this system to address solvency and costs to employers.

SUPPORT: Amendment 550 (Jones) Rolling Stock

The Commonwealth has long been an outlier by collecting sales tax on rolling stock. Neighboring states, such as New York, Rhode Island, Connecticut, New Hampshire and Vermont have sales tax exemptions or partial exemptions on rolling stock. Exempting rolling stock from Massachusetts' sales tax would encourage greater trucking investment within the Commonwealth. Companies would be encouraged to purchase new vehicles, including EVs, which would keep our roads safer and help reduce emissions.

SUPPORT: Amendment 796 (Gonzalez) Grants for Micro Businesses (\$7.5M)

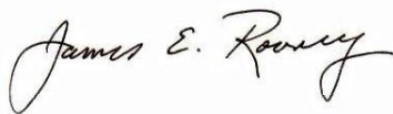
The Chamber was pleased to see language updating the definition of "micro business" included in the last year's Mass Leads Act. The simple change of increasing the maximum number of employees for a micro business from five to ten opened the door for more businesses to apply for grant funding from the Massachusetts Office of Business Development and made it easier to start and grow a new business in the Commonwealth. The \$7.5M in grant funding found in this amendment would build off last year's groundbreaking legislation and would offer critical support to micro businesses throughout the state.

SUPPORT: Amendment 1166 (Sousa) Expansion Grants for CVTE

We were grateful for the House's \$50M investment into CVTE expansion included in excess surtax funding bill (H.4010). This funding increases student access to CVTE by expanding existing capacity. As you are well aware, the demand for seats at our Vocational-Technical schools has continued to far outpace current capacity limits, and the modest increase in funding found in this amendment will help prepare our students for in-demand jobs in all regions of the Commonwealth.

Please do not hesitate to reach out with any questions or concerns.

Sincerely,



James E. Rooney
President and CEO

ⁱ <https://www.bizjournals.com/boston/news/2025/04/23/home-starts-slowest-start-greater-boston.html>

ⁱⁱ <https://www.bls.gov/emp/chart-unemployment-earnings-education.htm>

ⁱⁱⁱ <https://taxfoundation.org/research/all/state/2025-state-tax-competitiveness-index/>