

October 15, 2025

Governor Maura Healey
Commonwealth of Massachusetts
Room 360, State House
Boston, MA 02133

Lt. Governor Kim Driscoll
Commonwealth of Massachusetts
Room 360, State House
Boston MA, 02110

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

Senate President Karen E. Spilka
Massachusetts Senate
Room 332, State House
Boston, MA 02133

Dear Governor Healey, Lt. Governor Driscoll, Speaker Mariano, and Senate President Spilka,

On behalf of the Greater Boston Chamber of Commerce and the Massachusetts Society of CPAs, I write to present to you our 2025-26 tax reform agenda. Like our collaboration with the MassCPAs in 2022 and 2023, we again identify key areas of the Commonwealth's tax structure that are outliers compared to competitor states, incentivizing people and businesses to leave Massachusetts.

We thank you again for working together to pass historic tax reform measures in 2023. Increasing the estate tax threshold, lowering the short-term capital gains tax rate, providing individuals with important tax relief for rental costs, raising a family, and seniors were important features of the comprehensive tax package that helps people and businesses stay and succeed in the Commonwealth.

However, work remains to align Massachusetts with our biggest competitors seeking to lure our employers and talent to their states and countries. We remain ranked 41st in the Tax Foundation's State Tax Competitiveness Index.ⁱ The Massachusetts Taxpayers Foundation recently ranked Massachusetts 45th in domestic migration and 50th in private employment growth.ⁱⁱ More progress is necessary to keep pace with states that are lowering tax rates and creating new incentives to spur growth at our expense.

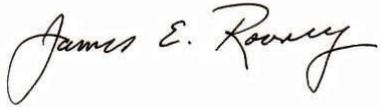
Included in our reform package are outlier policies that negatively impact our business climate. For example, Massachusetts remains one of only 12 states with an estate tax, and despite our recent reforms, and continues to have one of the lowest thresholds while other states adjust them upward. With homes in the Greater Boston Area now valued around \$1 millionⁱⁱⁱ, a family that owns a single-family home and a small business could easily trigger our \$2 million threshold in Massachusetts, making it more difficult for family-owned and small businesses to survive generational change. Small businesses employ most workers in the Commonwealth and have struggled to survive through a pandemic, tariffs, and inflation, and the estate tax remains another barrier to success in the Commonwealth. Massachusetts is out of step with New York, Maine, and Connecticut, not to mention our competitor states like Florida, North Carolina, and Texas with no estate taxes. Whether property, cash, or other accumulated assets, estates are already taxed through income, capital gains, and property taxes. We recommend repealing the estate tax.

Additionally, we remain one of the few states that treat short-term capital gains differently than ordinary income, impose unique taxes on S corporations through the sting tax, and have high taxes on corporations. The Chamber and the MassCPAs also recommend tax changes to help more Massachusetts' residents and businesses engage in research and development activities, local strengths confronting uncertainty from changes in federal policy.

The options provided in our tax reform agenda provide a menu of tax policies that we believe can improve affordability for individuals and businesses. We look forward to our ongoing conversations on how to make Massachusetts the best place for people and businesses to thrive.

Thank you again for your consideration. Please reach out with any questions.

Sincerely,



James E. Rooney
President & CEO

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

ⁱⁱ <https://www.masstaxpayers.org/massachusetts-competitiveness-index-2025>

ⁱⁱⁱ <https://www.cbsnews.com/boston/news/boston-massachusetts-median-home-price-1-million/>