

April 27, 2026

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 dedicated and thoughtful work in crafting the House's FY27 budget (H.5500). As the Commonwealth navigates federal funding reductions and uncertainty, the Chamber sincerely appreciates the efforts of you and your colleagues to review proposed spending and policies through a lens of competitiveness and avoid outlier policies that may impact Massachusetts' ability to attract and retain talent and job creators.

As you begin the debate process, we offer feedback for your consideration in the following areas: the balanced allocation of surtax revenue for education and transportation initiatives, the expansion of workforce development grant opportunities to include apprenticeships, and several filed amendments as they relate to competitiveness.

Transportation

Support the Goal of 50/50 Surtax Split for Education and Transportation

The Chamber appreciates the significant commitment you and your colleagues in the House have made to direct income surtax revenues toward critical transportation priorities, including the MBTA and the Commonwealth's Regional Transit Authorities. These investments are essential to building a well-connected state and expanding economic opportunity for both employers and workers across the region. As you look ahead, we strongly encourage the House to continue its thoughtful, long-term approach by maintaining a balanced allocation of surtax revenues, with a clear and consistent commitment to an approximately 50/50 split between education and transportation, two investments that are equally vital to the Commonwealth's economic competitiveness.

Business Climate

SUPPORT: C3 Stabilization Grants (Item 3000-1045 - \$110 million) and Childcare Grants to Providers (Item 1596-2410 - \$365 million)

Access to affordable, high quality early education and care programs is a vital component to attracting and retaining talent in Massachusetts. Stabilization grants are essential to these programs as they face continuing affordability challenges and a tight labor market. These resources will not only support this workforce through recruitment and retention measures such as professional development and competitive pay, but also the workforce of all employers with continued access to quality and affordable childcare options.

SUPPORT: Amendment 221 (Howitt) Increasing the Estate Tax Threshold to Bring the Commonwealth in-line with Competitor States

Currently, Massachusetts is a clear outlier on the estate tax. Despite the 2023 tax reform law, Massachusetts still has one of the lowest estate tax exemption thresholds in the country, along with Oregon, currently set at \$2 million, and is only one of 12 states to impose the tax. Competitor states like California, Virginia, North Carolina and Florida do not have an estate tax, and neighboring states that do have much higher thresholds (e.g., New York (\$7.1M), Vermont (\$5M), Maine (\$7M), and Connecticut (\$13.99M)).¹

While adopting this amendment and setting the threshold at \$3 million would represent progress, full repeal of the tax would have a more immediate and substantial impact on the Commonwealth's competitiveness and reduce outmigration driven by estate planning decisions.

SUPPORT: Amendment 814 (Vargas) Small Business Technical Assistance Grant Program (Item 7002-0040 - \$7.5 million)

The Chamber supports critical funding to provide technical assistance, education, and access to capital for small businesses. We appreciate the House's steadfast support for small businesses and ask you and your colleagues to adopt Amendment #814 to increase this line item to its total of \$7.5M as funded in the House's FY26 General Appropriations Act.

OPPOSE: Amendment 946 (Meschino) Digital Services Assessment

The Chamber is concerned that Amendment #946 represents a significant policy shift by introducing a new assessment on digital streaming services. No digital services tax or fee currently exists in the Commonwealth and establishing one would introduce a new and unclear regulatory framework for businesses operating in the digital economy. As drafted, the amendment would increase compliance complexity and uncertainty, while increasing costs that are likely to be passed on to consumers. We respectfully urge rejection of this amendment.

SUPPORT: Amendment 1329 (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 electric vehicles, which would keep our roads safer and help reduce emissions.

SUPPORT: Amendment 1631 (Muradian) Zero-Emissions Vehicles

While we share the Commonwealth's goal of reducing emissions from the medium- and heavy-duty (MHD) transportation sector, significant obstacles make implementation of the Advanced Clean Trucks (ACT) and Heavy-Duty Omnibus (HDO) requirements challenging. Limited vehicle supply, ongoing production and supply chain constraints, and competition among opt-in states, beginning as early as 2027, will leave many fleets without viable purchasing options. At the same time, gaps in electric generation, grid capacity, charging infrastructure, and site-specific constraints such as zoning and interconnection timelines continue to impede large-scale MHD electrification. The Chamber therefore urges the adoption of Amendment #1631 to ensure employers can transition their fleets on a predictable timeline.

Workforce Development

SUPPORT: Amendment 418 (Gordon) Increase School-to-Career Connecting Activities (Item 7027-0019) to \$8M

The Chamber strongly supports funding for School-to-Career Connecting Activities because it directly strengthens the region's talent pipeline by connecting students to paid, real-world work-based learning opportunities through public-private partnerships, better aligning education and workforce demand. Increased investment in this program is essential to expanding access to opportunity, preparing students for careers, and sustaining the region's long-term economic competitiveness. We ask that you adopt Amendment #418 to increase funding for this line item to \$8 million.

SUPPORT: Expanding Workforce Development Grant Opportunities to include Apprenticeships (Outside Sections 10 – 12)

We support the changes in Outside Sections 10 – 12, which would expand Workforce Investment Trust Fund grant eligibility to include internships, apprenticeships and other work-based or vocational learning programs. The Chamber strongly supports the Governor's goal of registering 100,000 new apprentices over the next decade and

views the apprenticeship model as one of the most effective pathways to connecting workers with high-quality jobs, particularly in tech, advanced manufacturing, healthcare, financial services, and other high-demand sectors.

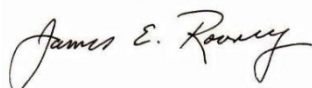
Housing

OPPOSE: Amendments that Increase the Cost of Housing

Housing costs are already at historic highs across Greater Boston and the Commonwealth, and a recent report ranks Massachusetts as the second-costliest state for housing construction.² We caution against policies that raise development costs, constrain supply, or impose new fees or mandates onto housing production such as Amendment #186, which would levy a \$6-per-cubic foot surcharge on ready-mix concrete used in commercial and residential projects. Construction material costs have already escalated sharply, with data from the U.S. Bureau of Labor Statistics and the Associated Builders and Contractors showing concrete prices have risen 43.8% since 2020.³ At a time when housing affordability remains a top challenge for residents and employers alike, the Chamber opposes surcharges that would further limit housing supply and undermine the Commonwealth's broader economic competitiveness.

Thank you for your attention to these matters. Please do not hesitate to reach out with any questions or concerns.

Sincerely,



James E. Rooney
President & CEO

¹ <https://taxfoundation.org/data/all/state/estate-inheritance-taxes/>

² [How Much Does It Cost to Build a Home in Each State? \(2026\) | Today's Homeowner](#)

³ <https://www.abc.org/News-Media/News-Releases/construction-input-prices-surge-in-february-says-abc>