



1 Beacon Street, 16th Floor
Boston, MA 02108

www.aimnet.org | 617.262.1180 | fax 617.536.6785

April 24, 2017

The Honorable Robert A. DeLeo, Speaker &
Members of the House of Representatives
State House
Boston, Massachusetts

RE: The HWM FY18 budget and pending amendments to H. 3600

Dear Mr. Speaker and Members of the House:

Associated Industries of Massachusetts (AIM) and its thousands of employer members commend the spending blueprint proposed by the House Ways and Means Committee. AIM believes that avoiding tax increases and containing the growth of spending are both critical to achieving a balanced budget; we urge the entire House to support this approach.

AIM applauds the House for addressing significant FY18 budgetary challenges and for engaging with the business community regarding how government can face these challenges while more efficiently delivering vital services. As the House faces a looming shortfall in funding for the MassHealth program, the Ways and Means Committee has crafted a responsible and considerate approach to address this funding gap, allowing for direct input from the employer community.

Eleven years ago, the employer community worked closely with a diverse group of stakeholders to implement Massachusetts' successful universal health care law. The House Ways and Means proposal maintains that tradition and encourages the Baker Administration to seek flexibility from the federal government to allow our Commonwealth the freedom to structure our healthcare system in a manner that meets our unique needs. We cannot truly begin to address the immense cost of our healthcare system – both public and private - without redoubling our efforts in the area of cost control. AIM members have also identified workforce training and their inability to find qualified workers as a growing concern. AIM strongly supports several provisions put forth by the Ways and Means Committee, particularly those associated with workforce training, and we urge the full House to support them as well. Those items include:

- Fully funding the Workforce Training Fund (\$22.9M);
- Funding for the Massachusetts Manufacturing Extension Partnership (\$2M)
- Funding for One-stop career centers

AIM is very concerned about SECTION 32 of the bill and urges the House to remove it or subject it to further study. In proposing a real time collection system for sales and use tax, we are concerned that many issues relating the implementation, compliance, auditing, and the cost of software programming among other issues have not been vetted fully. We are further concerned that the proposal does not consider issues of customer data and privacy, given the manner in which transactions occur and how audit disputes would need to be settled. AIM strongly urges the House to work with industry to address this issue and avoid a bureaucratic, costly, and unnecessary tax regime for sales and use tax. Regarding budget amendments, AIM supports:

- **Amendment #580**, which extends the sunset date for the Wellness Program Tax Credit to support small businesses trying to improve their employees' health through targeted wellness programs;

AIM opposes:

- **Amendment #575** AIM opposes such language because we believe that, given the global nature of the internet and the broad array of industries impacted, this matter should be addressed by federal laws and regulations to ensure that customer data is protected with consideration for the entire internet ecosystem. AIM urges the House to reject this amendment and would encourage Congress and or the appropriate federal regulatory agency to establish a consistent policy nationally.

A full list of our positions on pending amendments is attached in a separate sheet.

Thank you for taking AIM's views into account and please feel free to contact me if you have any questions or need any further information.

Sincerely,

A handwritten signature in cursive script that reads "John R. Regan". The signature is written in black ink and is positioned above the typed name and title.

John R. Regan
Executive Vice President for Government Affairs

Amendments AIM Supports		
#	Title	AIM Position
104	Relative to the sales tax exemption on air crafts and air craft parts	Support
279	Quarterly Corporate Tax Payments	Support
580	Wellness Program Tax Credit	Support
Amendments AIM Opposes		
252	Energy Facilities Siting Board (EFSB) outside section	Oppose
308	Community Benefit Districts	Oppose
479	An Amendment to diversify the use of the Workforce Training Fund to support the Workforce Competitiveness Trust Fund	Oppose
575	Amendment to Prohibit the Collection of Personal Information from a Consumer	Oppose
632	Offshore Tax Havens	Oppose
866	Tiered Tax on Sugar Sweetened Beverages	Oppose
948	Protecting municipal and private ambulance services	Oppose