



**Office of
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For Immediate Release

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Representative Kane opposes proposed multi-million dollar tax increase package

BOSTON – State Representative Hannah Kane, R-Shrewsbury is opposing a House-backed proposal to raise the state gas tax and implement additional policy changes that would collectively increase taxes on Massachusetts residents and employers by more than \$600 million.

Representative Kane voted against House Bill 4508, An Act relative to transportation finance, due to concerns about how the bill would adversely impact the state’s taxpayers and hinder job growth. During floor debate, she supported several amendments designed to eliminate, mitigate or delay the proposed tax increases, but these efforts were unsuccessful.

House Bill 4508 was engrossed by the House of Representatives on a vote of 113-40 on March 4, and will now move to the Senate for further consideration.

“I am concerned about the impact the tax hikes provided for in this legislation will have on businesses, job growth, and families. While our transportation system clearly requires increased investment, the Baker-Polito Administration’s FY21 budget filed in January provides for \$200 million in increased funding for the MBTA using existing revenue sources, while the legislation passed by the House which relies on increased taxes only generates \$187 million in additional funds for the MBTA,” remarked Representative Kane.

Under the bill, the motor vehicle gasoline excise tax would rise from 24 cents per gallon to 29 cents per gallon, while the tax on diesel fuel would increase from 24 cents per gallon to 33 cents per gallon. According to the Boston Herald, an analysis conducted by the Beacon Hill Institute estimates these proposed increases would result in the loss of 3,000 jobs and \$93 million in business investment in just the first year, while depriving Massachusetts residents of \$843 million in disposable income and costing the state economy \$207 million in lost production.

House Bill 4508 also calls for a restructuring of the corporate minimum excise tax for companies with annual sales exceeding \$1 million. Currently set at \$456, the corporate minimum excise tax would be replaced with a nine-tiered structure that would result in some businesses paying a minimum excise of as much as \$150,000. Representative Kane said this change would put Massachusetts employers at a competitive disadvantage.

Transportation Network Companies (TNCs) would also be impacted by the House bill, which would implement new fees on shared, non-shared and luxury rides of 20 cents, \$1.20 and \$2.20, respectively, but would bar TNCs from passing these fees onto consumers and drivers. The bill also eliminates the existing sales tax exemption for new vehicles purchased by car rental companies.

Among the amendments supported by Representative Kane were proposals to:

- provide cities and towns with a permanent exemption from the gasoline excise tax;
- retain the existing corporate minimum excise tax;
- repeal the tax increases included in the bill if the proposed Millionaires Tax ballot question is approved by Massachusetts voters in November of 2022; and
- delay the implementation of the proposed tax increases until the Executive Office of Administration & Finance and the Department of Revenue can complete a study of the taxes' projected impact on the Massachusetts economy and their revenue impact on the state's cities and towns.

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