

May 20, 2025

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

Senator Michael Rodrigues, Chair
Senate Committee on Ways and Means
State House, Room 212
Boston, MA 02133

Dear Senate President Spilka and Chair Rodrigues,

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 Senate's proposed FY26 budget (S.3). 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 is pleased to see several of our priorities included in the FY26 Senate Budget, including critical funding for C3 Stabilization Grants and workforce development funding while avoiding new taxes and fees. As you begin the debate process, we offer the following feedback for 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 such as 12, 13, 140, 141, 147, 296, 297, 298, 834 aim to slow important progress on municipal compliance with section 3A of chapter 40A by delaying deadlines for compliance and providing additional loopholes or exemptions from the law. These efforts undermine the modest requirements of the current law to ease zoning barriers to developing 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 Senate to reject these amendments.

Business Climate

NEUTRAL: Amendment 791 (Tarr) Unemployment Insurance Reform Commission

While the Chamber does not believe a commission is necessary, amendment #791 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.ⁱⁱ 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 reforms to this system to address high costs to employers.

OPPOSE: Amendment 1 (Moore) Tariff Pricing Transparency

While well-intentioned, amendment #1 would expose businesses to major penalties under Chapter 93A as they attempt to navigate complex and fluid tariff policies announced by the federal government. As you know, ongoing tariff policy shifts almost daily, with announcements, modifications, delays, and rollbacks ever changing week to week. To attempt to quantify price impacts throughout the supply chain as markets brace for potential tariffs that fluctuate country by country and product by product is impossible at the moment, as businesses remain paralyzed without consistent policy decisions. Penalizing businesses for changes in government policy is unfair, and we urge the Senate to reject this amendment.

We further note that the amendment incorporates ambiguous and overly broad language from 940 CMR 38.00 et al, regulations recently promulgated by the Attorney General and as of yet implemented. These regulations themselves are highly

problematic and will likely result in significant unintended consequences for Massachusetts's employers once effective in September. We continue to work with the Attorney General to provide more clarity and guidance around implementation that will impact different sectors of the economy in different ways and urge the Senate to avoid codifying problematic language before understanding the impact on the Commonwealth.

SUPPORT: Amendment 40 (Gomez) Small Business Technical Assistance

The Chamber supports critical funding to provide technical assistance, education, and access to capital for small businesses.

SUPPORT: Amendment 757 (Tarr) 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.

Public Safety

SUPPORT: Amendment 774 (Collins) AEDs at Sporting Events

The Chamber supports requiring automated external defibrillators (AEDs) at sporting facilities in the Commonwealth. Already required at health clubs, AEDs are life-saving tools for athletes and utilized to safely and effectively treat those that experience sudden cardiac arrest. Ensuring that AEDs are readily available at sporting locations can provide critical, lifesaving treatment for sudden cardiac arrest during the crucial moments while emergency medical professionals respond to an emergency. We urge the Senate to adopt amendment 774.

Transportation

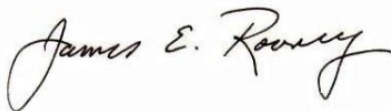
SUPPORT: Adequate Transportation Infrastructure Funding

Reiterating our testimony for the recent supplemental budget appropriating available surtax funding (S.2512), the Chamber would like to again highlight the need for a multi-year approach towards fiscal stability for the MBTA, a critical service that underpins the Greater Boston economy. Under the leadership of General Manager Phillip Eng, the MBTA made strong progress on implementing safety and reliability improvements along with necessary track and signal work to eliminate slow zones and improve the rider experience. The Chamber believes the MBTA is heading in the right direction, and additional financial support to head off an impending fiscal cliff and provide a pathway to lasting reliability is critical for the agency to continue to build trust with current and future riders.

The Senate's overall approach to transportation infrastructure funding places recent momentum to improve the T in jeopardy, focusing solely on FY26 in the short-term and creating uncertainty about whether a lack of resources will stall important progress. In tandem with deliberations on other available surtax funding, we urge the Senate to dedicate enough resources to transportation, acknowledging that a regionally equitable approach to transportation infrastructure funding is not mutually exclusive to a well-funded public transit system in the economic heart 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://taxfoundation.org/research/all/state/2025-state-tax-competitiveness-index/>