



April 22, 2021

Via Email: Dan.Ryan@mahouse.gov

The Honorable Daniel Ryan
State House, Room 36
Boston, MA 02133

RE: Amendments to H 4000, An Act making appropriations for the fiscal year 2022 for the maintenance of the departments, boards, commissions, institutions and certain activities of the Commonwealth, for interest, sinking fund and serial bond requirements and for certain permanent improvements

Dear Representative Ryan:

On behalf of the Massachusetts Bankers Association's (MBA) more than 120 commercial, savings and cooperative banks and federal savings institution members with 72,000 employees located throughout the Commonwealth and New England, I am writing to express our views on several amendments to H 4000, An Act making appropriations for the fiscal year 2022 for the maintenance of the departments, boards, commissions, institutions and certain activities of the Commonwealth, for interest, sinking fund and serial bond requirements and for certain permanent improvements.

Our views on several amendments are detailed below:

Support Amendment #752: Crumbling Concrete Foundations

Amendment #752, which was filed by Representative Brian Ashe, provides important relief to homeowners in central and western Massachusetts whose properties may be affected by faulty concrete poured by a Connecticut company. The concrete, which contains the mineral pyrrhotite, can cause these foundations to deteriorate and crumble, leaving the homeowner with almost no choice but to spend their own funds to pour a new foundation for their property.

This amendment provides assistance for those that wish to have their foundations tested, provides relief on permitting fees for homeowners who replace their foundations and a process by which these homeowners may provide potential buyers with a written report that includes a statement regarding whether the foundation is made with concrete; whether the purchaser should have the foundation inspected by a structural engineer; as well as whether or not the owner has knowledge pertaining to the foundation condition - including whether or not any repairs were made to the foundation. We urge you to support this important amendment that will provide much-needed relief and guidance to these homeowners.

Support Amendment #905: Advanced Payment of Sales Tax

MBA remains significantly concerned at the continuing attempts to implement accelerated sales tax

remittance throughout the Commonwealth as they could have disruptive unintended consequences for the retail sector during what is already a very difficult time. Although we understand similar provisions were deemed necessary to inject one-time revenue into the state's reserves last year, we believe adding an alternative for retailers – such as the estimated sales tax payment formula option found in Amendment #905 – could achieve the same goal while also alleviating most of the risk.

MBA believes this language is a common-sense alternative that will reduce the compliance burden on local businesses while ensuring that the Commonwealth receives sales tax revenues on an accelerated basis. It is our understanding that all of the other states that mandate prepayment of sales tax allow a similar estimated payment formula; therefore, MBA strongly encourages you to include language found in amendment #905 filed by Representative James Murphy.

Oppose Amendment #1137: Sales Tax Remittance

As referenced above, MBA and our member banks continue to urge you to oppose all language, including amendment #1137, that would impose a new, costly mandate on banks, retailers and third-party payment processors requiring them to remit the sales tax on purchases in Massachusetts on a daily basis. As we have noted in testimony to the Legislature and a recent joint industry letter, real-time sales tax remittance has already proven unfeasible and cost ineffective which would impact millions of consumer credit or debit card payments or electronic funds transfers.

A study commissioned by the State Tax Research Institute concluded real time sales tax would “impose an estimated \$1.2 billion in nonrecurring costs” and “nearly \$28 million in annual, recurring costs on businesses operating in Massachusetts.” This proposal will not raise any new revenue for the Commonwealth; it would merely try to change the cadence of remittance. We ask that you oppose this amendment during the House debate on H 4000.

Conclusion

Thank you for considering our views on these amendments to H 4000, An Act making appropriations for the fiscal year 2022 for the maintenance of the departments, boards, commissions, institutions and certain activities of the Commonwealth, for interest, sinking fund and serial bond requirements and for certain permanent improvements. If you have any questions or need additional information, please contact us at any time.

Sincerely,



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