



CITIZENS for Limited Taxation

47 Years as the Voice of Massachusetts Taxpayers
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No on H.2978, S.1899, H.3086 and S.1804

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The Joint Committee on Revenue
24 Beacon Street
Room 109-E
Boston, Massachusetts 02113

Dear Member of the Committee;

With all the current focus and concern these days over income inequality and affordable housing, some of the bills before this committee if enacted will unnecessarily exacerbate both situations.

Especially at this period of an historic abundance of state revenue — some \$4 billion in "unanticipated" revenue surplus plus over \$5 billion in federal "relief" — this is not the time to justify clawing even more from taxpayers' pockets. After all, they paid for all that revenue surplus one way or another. Yet this is what a number of bills before this committee attempt to do.

To borrow a popular phrase, "C'mon man."

H.2978, S.1899 (both titled An Act relative to regional transportation ballot initiatives), and H.3086 (An Act relative to regional ballot initiatives) in similar fashion all intend to increase the burden of already stretched property taxpayers.

S.1804 (An Act authorizing a local affordable housing surcharge) intends to heap even more onto their burden.

We recognized that in the end each form of proposed increased taxation is left to voters to decide, which is better than having property tax increases simply imposed by fiat, as was the case before CLT's Proposition 2½ was adopted by the voters on the 1980 ballot.

Every Tax is a Pay Cut . . . A Tax Cut is a Pay Raise

But first let us consider income equality.

Often today Proposition 2½ overrides and debt exclusions are adopted by a majority of voters within a municipality. Those within that majority have considered the financial impact on their family budgets and have determined that they can afford the increase. But what of the minority (and often override/debt exclusion vote results are a close call) who opposed their property taxes being further increased, those who simply cannot afford to pay more without cutting their expenses somewhere else — or either selling or losing their homes? Who among this committee will speak for them?

Then let us consider affordable housing.

While the state's goal seems to be to create more affordable housing, it is doing quite the opposite by pricing home ownership further out of reach through encouraging excessive property taxation.

Many if not most homeowners are perhaps considered by some as "property rich," but those homeowners realize no gain unless they sell their homes. Instead, they struggle to pay the cost of home ownership so that they can remain where they live: mortgages, insurance, maintenance, and taxes. So long as they can get by with making their payments they do not become homeless, nor require subsidized affordable housing. A large number of them are senior citizens on fixed incomes. When their taxes go up a commensurate increase in their fixed incomes doesn't follow to compensate. Who among this committee will speak for them?

In conclusion, these proposals are unnecessary and burdensome; they are solutions in search of a problem. Current provisions already exist if a municipality deems it necessary to increase the property tax burden on its residents. Those include a general override of Proposition 2½ restrictions and the debt exclusion for specific purposes over a set period of time, if a majority of voters so agree.

When it comes to specifically funding affordable housing, the Community Preservation Act is available. Revenue raised through it, if adopted by a majority of voters, statutorily can be spent on open space, historic preservation, outdoor recreation — *and affordable housing*.

CLT and its members around the state hope this committee will stand with and speak for beleaguered taxpayers, not unnecessarily contribute further to their burden. We ask you to reject bills H.2978, S.1899, H.3086 and S.1804.

Thank you for your consideration.