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## **PRESS RELEASE**

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### **Senate Passes Bill to Encourage Economic Development**

**BOSTON**—**Senator Anne M. Gobi (D-Spencer)** has announced that today the Senate passed comprehensive economic development legislation including investments, initiatives and incentives to promote development and workforce training, create jobs and stimulate the Commonwealth's economy. The legislation strengthens existing programs and authorizes \$743.9M in capital spending over a period of three years for a range of economic development initiatives supporting workers, businesses and communities.

"This bill recognizes the diversity of our economy and finds ways to assist many different areas from agriculture to manufacturing to high tech and the innovations that support them," said Senator Gobi.

"Public policy and public investment is critical for Massachusetts to keep growing its economy and leading the nation in innovation and technology. This bill makes targeted investments in workforce training, infrastructure, and job creation strategies," said **Senate President Stan Rosenberg (D-Amherst)**. "Among one of the important provisions of this bill is the increase to the Earned Income Tax Credit by 5% for over 415,000 working families in the Commonwealth to continue the Senate's work on addressing income inequality."

"We can never stop working to build a stronger economy that provides jobs and prosperity to people all across our state. This bill, through mechanisms such as an angel investment tax credit has some important provisions to incent growth and boost employment," said **Senate Minority Leader Bruce Tarr (R-Gloucester)**.

The bill authorizes capital investments in initiatives to promote innovation, create jobs and provide skills training and assistance for the Massachusetts workforce.

- \$71M in matching grants to allow colleges and universities to participate in the National Network for Manufacturing Innovation initiative.
- \$45M for building improvements for career technical education and training programs.
- \$30M for workforce training and education in the advanced manufacturing, technology and hospitality fields.
- \$15M for a new Innovation Infrastructure Program providing grants and loans for the design, construction and improvement of buildings to spur innovation and entrepreneurship, including co-working spaces, innovation centers, maker spaces, post-incubation start-ups and artist space.
- \$15M for matching grants for innovative scientific and technology research and development activities stimulating economic and employment opportunities in the state.
- \$4.5M for a cybersecurity and data analytics technology development and training center.
- \$2.4M for the Early College High School Program to encourage partnerships between school districts and higher education institutions.

The bill also authorizes spending for infrastructure investments to boost economic growth, housing production and community development across the Commonwealth.

- \$330M for the MassWorks Infrastructure Program, which provides funding to cities and towns to support commercial and residential development, housing, downtown revitalization, transportation improvements and other infrastructure necessary for economic development and job creation.
- \$107.5M for the purchase of higher-capacity cranes to move cargo and extend docks to allow larger ships to dock and conduct business in the state.
- \$15M for site assembly and assessment, pre-development permitting and other pre-development and marketing activities.
- \$45M for the Brownfields Redevelopment Fund.
- \$30M for transformative development projects in Gateway Cities.
- \$7.5M for smart growth housing development for low income residents.
- \$6M for the Massachusetts Food Trust Program to increase access to healthy food options and improve economic opportunities for nutritionally underserved communities.
- \$5M for public infrastructure grants to municipalities.

The bill strengthens existing programs designed to create jobs and connect people to jobs, updating the operation of Regional Economic Development Organizations and streamlining the Economic Development Incentive Program to make the program more flexible and transparent.

In addition, the bill makes several changes to tax incentives and expenditures and establishes a tax expenditure review unit within the Office of the Inspector General to periodically review and report on the costs and benefits of the state's tax expenditures.

The bill establishes a new tax incentive, limited to Massachusetts residents, encouraging families to save for higher education. Individual filers would be able to take a \$1,000 tax deduction for contributions to a prepaid tuition or college savings program, also known as a 529 plan. Married couples filing taxes jointly would be able to take a \$2,000 deduction.

Continuing the Senate's efforts to address income inequality and support working families, the bill increases the Earned Income Tax Credit (EITC) by 5%, from 23% to 28% of the federal refund, effective January 1, 2018, and closes a loophole that allows nonresidents to claim this credit in Massachusetts.

The bill also expands the application of the state's room occupancy excise to vacation, leisure and short-term rentals.

Finally, the bill eliminates burdensome restrictions on retailers, restaurants and small brewers to increase consumer choice and market access in the sale of alcoholic beverages.

A conference committee will now resolve the differences between the Senate and House versions of the bill.

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