



\*For Immediate Release\*

## ORGANIZATIONS REPRESENTING OVER 25,000 DIVERSE SMALL BUSINESSES UNITE IN OPPOSITION TO QUESTION 1

*The organizations join 150+ individual small businesses and small business owners from every county in the Commonwealth in opposition to the Tax Hike Amendment*

**October 19, 2022** – The Coalition to Stop the Tax Hike Amendment today announced organizations representing over 25,000 small businesses have joined the Coalition in opposition to Question 1 on the ballot this November. These organizations are joined by over 150 small businesses and small business owners representing every county across the Commonwealth, in addition to thousands of individuals, homeowners, retirees, farmers and large employers who have united to communicate to voters the negative consequences of Question 1.

If passed, Question 1 would be one of the highest tax hikes in Massachusetts history, immediately and permanently implementing an 80% tax increase and threatening small businesses across the state. Question 1 captures tens of thousands of small business owners who do not make more than one million dollars per year and are working hard to rebuild after the negative impacts of the pandemic. At a time when we should be helping our small businesses recover, small business owners will instead be left reeling from a new, unprecedented financial hit.

“When I came to the United States from Brazil, I chose to build my business in Massachusetts,” said Ricardo Souza, Owner of EFR Mechanical in Waltham. “I am not a millionaire, but I know the future of my business is in jeopardy if Question 1 were to pass. The past few years have been incredibly difficult, especially in the plumbing industry. This tax hike would threaten our ability to survive.”

Question 1 impacts the tens of thousands of small businesses across the state who file taxes as pass-through entities. These small businesses file their business’ revenue as personal income, even though much of it is reinvested back into their business. Many of these small businesses are operating on razor thin margins, and take home very little profit. However, Question 1 treats their small business’ revenue as if they are a high-earning individual, threatening their business’ viability.

“Our organization represents 4000 small businesses across the state, with a vast majority of these businesses set up as pass through entities,” said Jon Hurst, President of the Retailers Association of Massachusetts. “Many of these organizations could see their taxes nearly double under Question 1. This constitutional amendment will devastate our local economy and threaten small businesses statewide.”



Question 1 additionally robs the nest eggs of small business owners who are relying on the sale of their business to fund their retirement. Unlike federal taxes on personal income, this measure treats one-time gains—such as those from selling a business, home, or farm—as regular income, pushing many retirees into the new higher tax bracket, and nearly doubling their taxes.

“The sale of our family-owned business will fund my retirement,” said Erin Calvo-Bacci, owner of Bacci Chocolate Design. “I have planned around this one time sale, and understanding I will be taxed almost double if this amendment passes makes me rethink my financial future. This tax hike robs me and my family of our security.”

As workforce and staffing issues continue to be exacerbated by the pandemic, small businesses are also concerned about the reality of individuals fleeing the state for lower-tax environments. In 2021, Massachusetts reached a five year high for residents moving to other states. Even before the onset of the COVID-19 pandemic, Massachusetts was losing \$1 billion annually due largely to residents moving to low tax states such as New Hampshire or Florida.

At a time when our legislature has a historic budget surplus, this unnecessary and ill-conceived constitutional amendment will permanently hinder small business’ ability to survive in Massachusetts. This is why thousands of individuals, retirees, homeowners, farmers, small business owners, large employers and community groups have come together in opposition to Question 1.

The small businesses and small business organizations united as part of the Coalition to Stop the Tax Hike Amendment include:

MA High Tech Council, Associated Industries of Massachusetts, Greater Boston Chamber of Commerce, Western MA Economic Development Council, NFIB, Retailers Association of Massachusetts, Massachusetts Fiscal Alliance, Massachusetts Farm Bureau, Massachusetts Retail Lumber Dealers Association, Cambridge Chamber of Commerce, North Central MA Chamber of Commerce, Springfield Regional Chamber of Commerce, Eastham Chamber of Commerce, Neponset River Regional Chamber of Commerce, South Shore Chamber of Commerce, Alliance of Automotive Service Providers of Massachusetts, MA Seafood Collaborative, MA Business Roundtable



Brandon Landscaping Inc., David Kindred Homes, Trudeau Construction, Boston Sword and Tuna, 126 Self Storage, IBC Corporation, Pioneer Institute, PR Restaurants, EFR Mechanical, M33 Growth, Optikos, Norfolk & Dedham Group, Westside Finishing Co. Inc., Antico Forno Restaurant, Terramia Restaurant, Massiminos Restaurant, Metro Equipment Corporation, Cape Family Supply and Cranberry Company, The RMR Group, Office Properties Income Trust, Industrial Logistics Properties Trust, Service Properties Trust, AlerisLife Inc., Seven Hills Realty Trust, TravelCenters of America Inc., Diversified Healthcare Trust, Sonesta International Hotels Corp., Ballast Lane Applications LLC, ABCrosby & Company, Cormier's Kitchen, Think Painting, MRM Construction Enterprises LLC., E.B. Norris & Son Inc., ATA Martial Arts, Hughes-Donahue Art, Precision Energy Systems, Independent Heating, Interlocks Salon, Dent Redeemers, Dandini Liquors, Youseph and Daniel Inc., Crescent Moon Cranberry, Cape Cod Soy Candles, Roamin'Baths Mobile Pet Spa, Animal Adventures, CloudBa, Sprout Farm, Higgins Energy Alternatives, Bill Kennedy Productions Inc., Central Radio, Lilliput Early Childhood Education Center, Braeloch Farm, Martin Pest Control, Facchini & Facchini P.C., Dot's Golf, Stewart's Power Equipment, Griffin Book Landscaping, Ed Trucking LLC, Rhonda Barsamian Tax and Accounting, Lee Family Dentistry, Kirker Bassoon Repair, Survival Fitness, Express Sign & Graphics, Cindy Barber Fine Gardening & Landscape, Nu-England Services Co., Dolce Vita Properties, Hull Associates, Cranberry Bog Tours, Metro Equipment Corporation, Nick's On-Site Detailing, Inc., Deer Ridge Group LLC, RJ Kelly Co., Bacci Chocolate Design dba CB Stuffer, Tashmoo Insurance, Boston Development Group, Palmer Foundry, Mark Goddard Photo, MICE LLC, Curry Printing, Antonell Management, Val Oliver Design Inc., Old Boston Restorations Inc., KSM Staffing, Dandi-Lyons, Travers | Dombroski, Todrin Industries, Inc., Dickinson Development Corp., Oxford Farms, Places to Go LLC, Waho Plumbing, Pleasant St Auto & Body Repair, Cooperstown Environmental, Rick's Auto Collision, Al Brodeur's Auto Body, APC Auto Body, Steve's Collision, Atlas Automotive, 508 Auto Body, Battle Grounds Coffee Company, DJ Sullivan Collision Center, Central Auto Rebuilders, Apex Autobody, North Andover Auto Body, Noble Financial Group, Marquis Design, Inc., Collision Tech, Mike's Auto Body, Burr Brothers Boat, Whittemore Company, Fuller Auto Body and Collision Center, The Body Smith Shop, Inc., Law Offices of Colleen Garry, Colonial Auto Body Shop Inc.