MassBudget
Massachusetts Budget and Policy Center
Information. Participation. Democracy.

May 10, 2016

THE GROWING COST OF SPECIAL BUSINESS TAX BREAK SPENDING

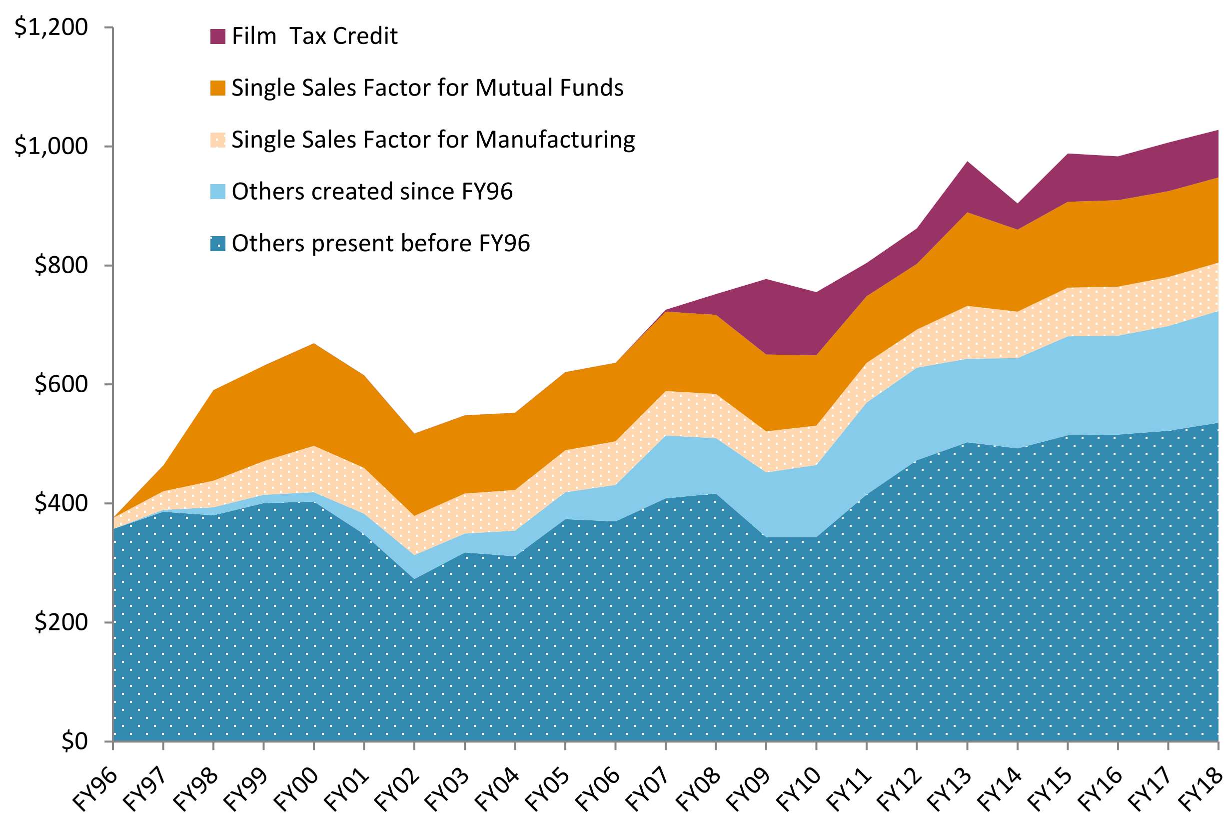
Updates an October 2016 version of this fact sheet.

The Commonwealth forgoes a large amount of potential revenue each year through spending on business tax breaks aimed at supporting economic development in Massachusetts. Although often not subject to the regular and close scrutiny given to on-budget programs, spending on these tax breaks is no different in its bottom line effect than direct spending through the state budget; each type of spending has a cost and thus limits the resources available for other state priorities.

Some of the state's economic development tax breaks are automatically available to businesses of all kinds. Other such tax breaks apply only to businesses operating in specific industries or reward only certain kinds of business activities. Accordingly, we refer to these narrowly targeted tax breaks as "special business tax breaks." Largely because of the enactment of new special business tax breaks, the cost of this category of tax breaks will have close to tripled between 1996 and 2018, rising from about $370 million in Fiscal Year (FY) 1996 to what Massachusetts Department of Revenue estimates project will be a little over $1.0 billion in FY 2018, adjusted for inflation (see chart, below).[1]

New Tax Breaks Drive *Special Business Tax Break* Cost Growth

Annual revenue losses in millions (inflation adjusted to 2018 $s)



Much of this cost growth has been driven by three major, industry-specific tax breaks enacted over the past 20 years: tax breaks for manufacturing companies, tax breaks for mutual fund companies and tax breaks for movie production companies. While of significantly smaller scale than these three, in recent years the state also has been paying for a new life sciences tax break (included in category "Others created since FY96" in chart, above). These four special business tax breaks are described briefly in the section below.

In 2011, the Massachusetts Legislature established a Tax Expenditure Commission (TEC) to "study carefully for the first time the various exemptions, deductions and credits in the Massachusetts tax code, and to recommend methods for measuring and reviewing their effectiveness."[2] Though it has been five years since the Tax Expenditure Commission (TEC) issued its findings and recommendations (in the spring of 2012), the Commonwealth has made little progress in implementing these recommendations. The three most basic recommendations were for the Legislature and Governor, working together, to 1) "identify and publish for each tax expenditure a clearly articulated public policy purpose and desired outcome"; 2) develop (in conjunction with the Department of Revenue) "metrics for assessing tax expenditures' effectiveness at achieving these purposes and outcomes"; and 3) undertake a systematic, rolling review of all state tax expenditures, based on findings from the above assessments.[3]

Additionally, the TEC recommended automatic "sunsetting" (elimination) after 5 years for discretionarily awarded grant-like tax breaks if they are not affirmatively renewed by the Legislature; stricter oversight of the award process for discretionary tax breaks; and clear rules governing when the Commonwealth would "clawback" forgone revenues from businesses that fail to deliver the jobs or other kinds of economic development for which the given tax break was originally awarded.[4] The TEC made special note of the need to apply their recommendations to any new tax expenditures adopted by the Legislature. Finally, the TEC recommended an overall reduction in the number and cost of state tax expenditures.[5]

The TEC's recommendations echo many of the best practices outlined by national experts in the field, including most recently researchers at the Pew Charitable Trusts, who have been engaged in a multi-year, multi-state study of the "budgetary risks and economic returns" associated with state economic development tax breaks. Similar to the TEC, Pew recommends 1) ensuring that tax incentives are regularly and rigorously reviewed; 2) metrics are developed and applied to determine how well tax incentives are working; and 3) these evaluations feed back into policy and budget deliberations. Measured against those best practices, Pew ranked Massachusetts in 2017 in the bottom tier with 22 other states that are "trailing" when it comes to evaluation of the effectiveness of corporate tax incentives.[6]

During FY 2017 budget debate, the Senate proposed establishing a new Tax Expenditure Review Audit Unit within the Office of the Inspector General and proposed $500,000 in funding for this unit.[7] This unit was to be tasked with undertaking a systematic review of all state tax expenditures; evaluating the administration, effectiveness and fiscal impact of each; and reporting back to the Legislature annually with recommendations regarding the modification, elimination or continuation of each tax expenditure reviewed during the preceding year.[8] During debate on the 2016 economic development bill (see further discussion below), the Senate included this proposal for the Tax Expenditure Review Audit Unit, as well as language regarding requirements for new or expanded tax expenditures that mirrored the TEC recommendations. These proposals did not make it into the final version of either the FY 2017 budget or the 2016 economic development bill.

SPECIAL BUSINESS TAX BREAKS

Several of the special business tax breaks provided by the Commonwealth are either particularly costly (see chart, above) or have undergone recent revision. A fuller discussion of these follows, below.

Tax Credits in the 2016 "Job Creation and Workforce Development Bill"

In August of 2016, the Governor signed into law an economic development bill that authorized up to $1 billion in capital investments over five years.[9] The bill also created one new and one significantly altered special business tax credit - an Angel Investor Tax Credit and a revised version of the Economic Development Incentive Program tax credit. Additionally, the bill made changes to some housing development tax credits that do not fit our definition of special business tax breaks, and created a new non-business tax credit, the College Savings Incentive Program. While early versions of the bill contained new or expanded business tax breaks that would have had significant cost, the two contained in the final bill do not increase costs to the Commonwealth.

The new Angel Investor Tax Credit—available to individuals who invest in small, Massachusetts-based life sciences and digital health start-ups—will operate within the existing Life Sciences Investment Credit (LSIC) program, which is capped at $20 million per year (meaning no more than this amount of credits may be awarded in any given year; the actual amount of credits *used* by taxpayers in a given year may exceed $20 million). Because the Angel Investor Tax Credit will operate within the LSIC cap, it will not increase the total cost to the Commonwealth of current business tax credit programs, though, to the extent it is utilized, the new credit will reduce award amounts available through the standard LSIC program.[10] "Angel investors" would be allowed to invest up to $125,000 per qualifying business ($250,000 total annual cap per investor) and receive a credit against taxes equal to 20 percent of their investment (30 percent if the business operates in a Gateway City).[11] Qualifying businesses must be in Massachusetts, have fewer than 20 full time employees and generate gross revenues of less than $500,000 per year.[12] Invested dollars must be applied toward capital improvements or plant equipment, research and development or be used as working capital.[13]

In actual dollar terms, this means that an "angel investor" making the full $250,000 of investments in qualifying businesses would receive a state tax reduction equal to 20 percent of this investment amount - in other words, $50,000. (While qualifying investments in Gateway City businesses are entitled to a 30 percent credit, the dollar amount of credit available to each "angel investor" is capped at $50,000 per year.) The credit may be used by the recipient taxpayer over a four year period. While the credit is awarded discretionarily, tax revenue losses for the Commonwealth could result not only from angel investments spurred by the new credit, but from any qualifying angel investments, including those that would have been made even in the absence of the credit. Because the new credits will be available only to investments in life sciences and digital health start-ups, there is a danger that the new credits could draw investments away from other sectors and into the life sciences/digital health sectors in ways that could be economically inefficient. It will be important that this credit – like all others – be carefully evaluated for effectiveness, including its ability to generate additional investments in start-ups and, ultimately, generate good new jobs for Massachusetts workers at a reasonable cost to the Commonwealth.

The new economic development bill also modifies the Economic Development Incentive Program (EDIP) tax credit.[14] Changes to the structure of the EDIP will eliminate a number of requirements for program eligibility and provide the authorizing agency (the Economic Assistance Coordinating Council or EACC) greater latitude in determining which projects it can approve.

Specifically, whereas before, businesses needed to apply for and meet the eligibility criteria for one of four project categories (expansion project, enhanced expansion project, job creation project, or manufacturing retention and job growth project),[15] these project categories now have been eliminated – businesses will apply instead for a "generic" EDIP credit. Most of the old EDIP categories outlined specific job creation or retention goals, and included requirements regarding geographical location or industry-specific investment. By contrast, the new EDIP language simply requires the business to "hire new permanent full-time employees in the Commonwealth."[16] Businesses will need to specify in their applications the number of jobs they seek to create or retain (along with many other details about the project), but final approval for each project will rest wholly with the EACC, not on whether the project satisfies a predetermined list of project requirements.

Some elements of both the Angel Investor Tax Credit and the revised EDIP credit appear not to align well with recommendations made by the 2012 Tax Expenditure Commission. Complicating an assessment of how well these credits align with the Commission's recommendations is the fact that the Angel Investor Tax Credit operates within the pre-existing Life Sciences Investment Credit, while the EDIP changes are just that: changes, not the creation of an entirely new credit. The Commission's recommendations are most specific in reference to *new* tax breaks. The Commission recommends that each new tax break be accompanied by a "clearly specified public policy purpose and desired outcome"; a finding that the new tax break is expected to be "highly effective at achieving the identified public policy purpose"; and "a provision requiring that the tax expenditure sunset or be reviewed periodically."[17] The statutory language for the Angel Investor Tax Credit and the revised EDIP tax credit do not specifically and directly respond to all of these recommendations.[18] More generally, the Commission's recommendations favor increased levels of oversight and evaluation of all tax breaks, including the need for clear assessment metrics and a pre-enactment finding that any new tax break is expected to be highly effective at achieving its stated public purpose and desired outcome. The Commission also recommends reduction in the overall number and cost of the Commonwealth's tax expenditures (see executive summary of the TEC's 2012 report).

Single Sales Factor Apportionment for Manufacturing Companies

When multi-state companies engage in different types of activities in different states, state governments need to determine how much of a company's profits should be taxed in each state. The seemingly obvious answer might be "the profits should be taxed in the state in which they are earned." The problem is that it can be very difficult to decide where a multi-state company's profits were earned. Imagine a car that is assembled in Indiana, with parts made in Ohio, overseen by management in Michigan, and sold in Massachusetts. If the sale of that car generates $2,000 in profits, in which state was that profit earned? The state where the parts were made? The state where those parts were assembled? The home state of the company? The state where the car was sold? There is no one right answer to these questions.

Traditionally, state tax law across the country has worked from the premise that a multi-state company's profits can't be allocated by type of activity (i.e., what the company produces and how), but rather should be apportioned by straightforward, objective factors. The traditional formula uses three factors: property, payroll and sales. In the traditional formula, each state averages the share of a multi-state company's national property, payroll and sales that occurred in the state and then taxes the company on that averaged share of its national profits. In the 1990s, Massachusetts (and a number of other states) began using a one-factor apportionment formula for manufacturing companies. This one-factor formula only considers where a company's sales are made. So, if a manufacturing company produces its goods in Massachusetts - thus benefitting from the Commonwealth's infrastructure and skilled workers - but sells those goods in other states, the company does not pay corporate income taxes in Massachusetts on those profits. In theory, the state could be able to make up for the resulting tax revenue loss from such a company by collecting more in taxes from other companies that sell into Massachusetts, but in practice this has been difficult to do.

This special tax break for manufacturing companies will cost the Commonwealth about $81 million in FY 2018.[19] Despite the large cost, however, the evidence shows it has done little to prevent the loss of manufacturing jobs in Massachusetts – since enactment of this tax break in 1995, Massachusetts has shed over 170,000 manufacturing jobs, a loss of 41 percent of such jobs.[20] This trend holds true across the nation: states that use a single sales factor approach have done no better than other states in retaining manufacturing jobs.[21] (For a more detailed discussion, see MassBudget's report, The Single Sales Factor Tax Break: Has It Worked?)

Single Sales Factor Apportionment for Mutual Fund Companies

Shortly after the Single Sales Factor tax break was offered to manufacturing companies it was extended to mutual fund companies as well. For mutual fund companies, the law also defines a "sale" as occurring where the consumer is, rather than where the company is. As a result, mutual fund companies based in Massachusetts who have customers around the country are treated, for Massachusetts tax purposes, as earning much of their income in other states. This Single Sales Factor tax break for mutual fund companies will cost the Commonwealth $143 million in FY 2018.[22]

Twenty-Five Percent Tax Credit for Movie Production in Massachusetts

Since 2006, Massachusetts has offered very generous tax credits to movie producers.[23] The law provides a tax credit of 25 percent of expenses for making a movie in Massachusetts (including wages paid to crews and actors).[24] This credit, however, does not function simply as a reduction in taxes owed, but instead very often acts as an additional source of profits for movie production companies; the credit amount for which a company qualifies typically is much larger than any taxes owed by the producers of the movie.[25] Once a company's tax obligation to the Commonwealth is zeroed out, 90 percent of any remaining credit value then can be claimed by the company in the form of a direct refund from the Commonwealth - or the remaining credit value can be sold to another business that will use it to reduce their own tax obligations.

For example, if a movie production company spends $40 million on a movie in Massachusetts, it is awarded a tax credit of $10 million. If the company owes $2 million in taxes to the Commonwealth, it is free to sell the remaining $8 million in tax credit to other taxpayers who can use the credit to offset their own tax liabilities. This means that the initial cost to the Commonwealth for any movie made in Massachusetts can be 25 percent of the cost of the movie.

Some of the cost to the Commonwealth of the film tax credit is offset by taxes paid by movie producers (note example, above), but these taxes offset only a small portion of the tax credit program's total cost—for 2014, the Department of Revenue (DOR) estimates that only 14 percent of the cost of the credit was recouped through new tax revenues.[26] For FY 2018, the full cost of the Film Tax Credit is estimated to be $80 million.[27]

Life Sciences Investment Credit

Massachusetts offers tax breaks to companies engaged in life sciences research and development, commercialization and manufacturing in Massachusetts. These tax breaks are awarded by the Massachusetts Life Sciences Center through a process that also involves the state Department of Revenue and the Office of Administration and Finance. These are discretionary tax breaks and are awarded based primarily on an assessment of likely job creation in Massachusetts. The Life Sciences Investment Credit will cost the state $25 million in FY 2018.

OTHER MAJOR BUSINESS TAX CUTS OF THE PAST TWO DECADES

Apart from the growth of these "special business tax breaks" (discussed, and shown in the chart, above), there are a number of other major corporate tax cuts that have been enacted or expanded over the last two decades that also have a significant impact on state tax collections today. Several such tax cuts that could use careful cost/benefit analysis include the following:

Extension of the Net Operating Loss Carry Forward Provision

Net Operating Loss Carry Forward (NOL) provisions allow businesses, when filing their tax returns, to use prior year losses to reduce current year profits, thus reducing the taxes they otherwise would owe. The underlying, general logic of permitting a NOL carry forward deduction makes sense in terms of sound tax policy; a business's tax bill will be based on an average of its performance over a set period, taking into account both profitable years and years with net losses.[28] This helps ease tax pressures on start-up companies (which often experience losses in early years) and on established businesses as they weather economic downturns and the first several years of a downturn's aftermath.[29] The length of the carry forward period, however, has a substantial impact on state tax revenues.

Until 2010, Massachusetts provided a 5-year carry forward period, typically costing the state about $100 million annually in forgone tax revenue.[30] Starting in 2011, Massachusetts extended the carry forward period to 20 years, a change that the Department of Revenue has estimated will cost an additional $65 million annually by 2026, ten years after its first effects would be felt, and more than $90 million annually by 2031.[31]

Corporate Income Tax

As part of a 2008 tax reform package that also included changes aimed at substantially reducing corporate tax avoidance, the Commonwealth began cutting the corporate tax rate in 2009 (along with other cuts for S-corps). These tax rate cuts were phased in over several years. Ultimately, the rate on ordinary corporations has been cut from 9.5 percent to 8 percent and the rate on financial institutions has been cut from 10.5 percent to 9.0 percent. Overall, these tax rate cuts now are costing the Commonwealth as much as $350 million annually.[32] At the same time, the overall impact of the 2008 tax reform package is a net positive in terms of tax revenues for the Commonwealth. In 2009, the Massachusetts Department of Revenue estimated that the combined effects of the 2008 tax reform package would deliver a net gain of some $129 million annually by 2015 (under assumptions of weak economic conditions – based on assumptions of stronger economic conditions, DOR provided a net gain estimate of $161 million. See MassBudget's more detailed discussion of this issue HERE).

"3-in-3" Capital Gains Tax Break

Effective January of 2011, Massachusetts tax law was changed to provide a lower tax rate on capital gains generated from investments held for three years or more in small and mid-sized startup businesses located in Massachusetts.[33] Capital gains income from these "3-in-3" investments is taxed at 3.0 percent rather than the rate applied to other long-term capital gains (which tracks the rate applied to wage and salary income, currently set at 5.10 percent).

While this tax break applies to the personal income of individuals rather than the corporate profits of businesses, the underlying rationale is similar to that of other tax credits aimed at boosting state economic development. The ability to spur investment and accelerate economic growth by providing preferential capital gains tax rates, however, remains a debated question - the most rigorous research suggests only very modest positive impacts at best.[34] More certain is the fact that the large majority of capital gains income flows to upper income filers, and thus the direct tax benefits of such preferential tax rates flow overwhelmingly to the state's very highest income households.[35]

The Department of Revenue estimates that this provision will cost over $11 million annually by 2020 and over $30 million annually by 2031.[36]

NON-BUSINESS TAX CUTS ADD TO TAX LOSSES

In addition to these and other business tax cuts, the Commonwealth also has enacted or expanded, since the late 1990s, a variety of personal income tax cuts. Today, these personal income tax cuts are costing the Commonwealth over $3 billion annually in lost tax revenue (for more on these cuts, see MassBudget's Income Taxes and the Budget Deficit in Massachusetts.**)**

Note: This report uses updated material from the 2013 MassBudget report, *After the Tech Tax Repeal: Remembering the Big Picture*. For a more detailed discussion of the different categories of business tax breaks see MassBudget's report, "Business Tax Breaks in Massachusetts"

[1] Tax credit costs are taken from the Massachusetts Department of Revenue's tax expenditure budget reports. For a number of tax breaks, DOR has updated their estimation methodology over the last 3 to 5 years. In some cases, this has resulted in significant revisions to prior year cost estimates, increasing cost estimates for some tax breaks in some years while reducing the estimated costs in other years. When DOR adopts a new methodology, they undertake a backward revision of cost estimates that extends only to the previous few years. As such, perfect

apples-to-apples comparisons between pre-2012 and post-2012 estimates are not possible. Comparisons across this divide will be more reliable for large group totals (such as "Special Business Tax Breaks") than for individual tax breaks.

[2] Tax Expenditure Commission Report, April 2012 (see introduction): http://www.mass.gov/dor/tax-professionals/news-and-reports/tax-expenditure-commission-materials/

[3] Tax Expenditure Commission Report, April 2012 (see pgs. 1-2): http://www.mass.gov/dor/tax-professionals/news-and-reports/tax-expenditure-commission-materials/

[4] Tax Expenditure Commission Report, April 2012 (see pgs. 1-2): http://www.mass.gov/dor/tax-professionals/news-and-reports/tax-expenditure-commission-materials/

[5] Tax Expenditure Commission Report, April 2012 (see Executive Summary, pg. 2): http://www.mass.gov/dor/docs/dor/stats/tax-expenditure-commission-materials/final-report/tec-report-with-appendices-new.pdf

[6] See Pew Charitable Trusts, *Tax Incentive Programs*, Jan. 2015 (pgs. 2, 5 and 9): http://www.pewtrusts.org/~/media/assets/2015/01/statetaxincentivesbriefjanuary2015.pdf and Pew Charitable Trusts, *How States are Improving Tax Incentives for Jobs and Growth*, May 2017. http://www.pewtrusts.org/en/research-and-analysis/reports/2017/05/how-states-are-improving-tax-incentives-for-jobs-and-growth?

[7] Senate FY 2017 Budget, Section 8: https://malegislature.gov/Budget/FY2017/Senate/FinalBudget See line-item 0910-0281

[8] Senate FY 2017 Budget, Section 8: https://malegislature.gov/Budget/FY2017/Senate/FinalBudget

[9] Governor's Office, Press Release, 8-10-2016: http://www.mass.gov/governor/press-office/press-releases/fy2017/governor-baker-signs-economic-development-legislation.html

[10] 2016 Session Law, Ch. 219, Section 72(5): https://malegislature.gov/Laws/SessionLaws/Acts/2016/Chapter219

[11] 2016 Session Law, Ch. 219, Section 72: https://malegislature.gov/Laws/SessionLaws/Acts/2016/Chapter219

[12] 2016 Session Law, Ch. 219, Section 72: https://malegislature.gov/Laws/SessionLaws/Acts/2016/Chapter219

[13] 2016 Session Law, Ch. 219, Section 72: https://malegislature.gov/Laws/SessionLaws/Acts/2016/Chapter219

[14] 2016 Session Law, Ch. 219, Section 7: https://malegislature.gov/Laws/SessionLaws/Acts/2016/Chapter219

[15] M.G.L, Ch. 23A, Sect. 3A: https://malegislature.gov/Laws/GeneralLaws/PartI/TitleII/Chapter23A/Section3A

[16] For proposals sited in Gateway and adjacent cities, some specific job creation requirements may apply. 2016 Session Law, Ch. 219, Section 7, subsection 3C(b): https://malegislature.gov/Laws/SessionLaws/Acts/2016/Chapter219

[17] Tax Expenditure Commission Report, April 2012 (see Executive Summary, pg. 2): http://www.mass.gov/dor/docs/dor/stats/tax-expenditure-commission-materials/final-report/tec-report-with-appendices-new.pdf

[18] When adopting the latest economic development bill, the Legislature – in particular due to efforts spearheaded by the Senate – did make important changes that brought the final bill into better agreement with the Tax Expenditure Commission's 2012 recommendations. These changes included removal of a provision that would have created an "enhanced EDIP" credit, with very few specific qualifying criteria, at an additional cost to the Commonwealth of $20 million annually. Likewise, in accord with Senate proposals, the Legislature removed a provision extending access to the state Film Tax Credit to pre-Broadway live stage productions.

[19] MassBudget calculation for FY 2018 based on data provided by DOR, breaking down the *total* FY 2013 revenue loss, due to uneven weighting of the sales factor, into the following three categories: double-weighting of sales factor (35%), SSF for manufacturers (24%), and SSF for mutual fund companies (41%). MassBudget applies these shares to DOR's overall FY 2018 revenue loss estimate for single sales factor.

[20] In November of 1995, Massachusetts had 413,900 manufacturing jobs (seasonally adjusted). As of March 2017, MA has 243,600 manufacturing jobs (seasonally adjusted). Current Employment Statistics, http://lmi2.detma.org/lmi/lmi_ces_a.asp#aTimeFrame

[21] Center on Budget and Policy Priorities, *Case for "Single Sales Factor" Tax Cut Now Much Weaker* (blogpost, April 1, 2015): http://www.cbpp.org/blog/case-for-single-sales-factor-tax-cut-now-much-weaker

[22] See endnote 19, above

[23] Massachusetts Department of Revenue website: http://www.mass.gov/dor/businesses/help-and-resources/film-incentive-credit/film-credit-and-sales-tax-exemption.html
[24] Massachusetts Department of Revenue website: http://www.mass.gov/dor/businesses/help-and-resources/film-incentive-credit/film-credit-and-sales-tax-exemption.html
[25] From 2006 – 2013, 80 percent of film tax credits generated were resold by film production companies rather than being used to offset taxes owed ($386.9 M/$483.4 M = 0.80, see Table 7, pg. 21 of 2013 Film Tax Report): http://www.mass.gov/dor/docs/dor/news/reportcalendaryear2013.pdf
[26] The most recent report available is the Massachusetts Department of Revenue, *Calendar 2014 Report on the Impact of The Massachusetts Film Industry Tax Incentives* (see pg. 16, Table 5): http://www.mass.gov/dor/docs/dor/news/reportcalendaryear2014.pdf
[27] Massachusetts Department of Revenue, *FY2017 Tax Expenditure Budget* (TEB items 1.611 and 2.614): http://www.mass.gov/dor/docs/dor/stats/teb/teb2017.pdf
[28] Center on Budget and Policy Priorities, May 2009: http://www.cbpp.org/cms/?fa=view&id=2760
[29] Center on Budget and Policy Priorities, May 2009: http://www.cbpp.org/cms/?fa=view&id=2760
[30] Department of Revenue, Tax Expenditure Budget FY2014
[31] Estimates provided by DOR upon request from MassBudget. DOR notes that these estimates were prepared in 2010.
[32] In Fiscal Year 2016, the Commonwealth collected $2.34 billion in combined corporate and financial institution taxes (corporate taxes account for 99 percent of this total). According to DOR, somewhat less than 80 percent of total corporate collections are derived from the taxes on corporate income. For 2016, the portion (80 percent) derived from corporate income taxes therefore would be $1.87 billion. Increasing the tax rates on corporate and financial institution income by 1.5 percentage points (from 8.0 percent to 9.5 percent or by some 19 percent) would produce additional tax revenue of approximately $355 million annually.
[33] MGL, Chapter 62, Sec. 4, 2c: https://malegislature.gov/Laws/GeneralLaws/PartI/TitleIX/Chapter62/Section4
[34] Institute on Taxation and Economic Policy (ITEP), *A Capital Idea*, January 2011: http://www.itepnet.org/pdf/capitalidea0111.pdf
[35] Institute on Taxation and Economic Policy (ITEP), *A Capital Idea*, January 2011: http://www.itepnet.org/pdf/capitalidea0111.pdf ;
Institute on Taxation and Economic Policy (ITEP), *Who Pays*, January 2013: http://www.itepnet.org/whopays.htm
[36] Estimates provided by DOR upon request from MassBudget. DOR notes that these estimates were prepared in 2010.