



May 14, 2024

The Honorable Karen Spilka  
24 Beacon Street, Room 332  
Boston, MA 02133

**RE: Proposed Amendments to S. 4, An Act making appropriations for the fiscal year 2025 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 President Spilka:

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, we are writing to express our views on several amendments to *S. 4, An Act making appropriations for the fiscal year 2025 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 these amendments are detailed below:

**Support Amendments #164 and #851: Crumbling Foundations**

Amendments #164 and #851, which were filed by Sen. Michael Moore and Sen. Peter Durant, provide important relief to homeowners in central and western Massachusetts whose properties may be affected by faulty concrete which contains the mineral pyrrhotite. The existence of this mineral 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.

Amendment #164 provides \$50,000 in funding for the Division of Occupational Licensure to manage a program reimbursing homeowners for a portion of the cost of having their foundations tested for pyrrhotite. This funding will help more homeowners in the affected areas get their foundations tested. Additionally, Amendment #851 would establish a crumbling concrete relief fund and a crumbling concrete relief agency to aid owners of residential real property with concrete foundations that have deteriorated. Both mark important relief efforts to support the Commonwealth's residents that are being negatively affected by this unforeseen issue with their home's foundation.

MBA respectfully requests that you support both amendments during debate on S. 4 next week.

**Support Amendment #833: Amending the Estate Tax**

While the last major reform of the Massachusetts estate law occurred less than a year ago, Massachusetts remains as one of the only 12 states that still implements an estate tax at all. Further, in recent years, the other states have also recently explored or implemented changes to their tax, primarily by increasing the amount exempt from the tax (as Massachusetts accomplished), but also by indexing the



exemption amount for future inflation and tracking with federal law – both areas left largely untouched by Massachusetts recent changes. It should also be noted that seven states have repealed their estate tax laws since 2010: Kansas, Ohio and Oklahoma in 2010 and North Carolina, Indiana in 2013, Tennessee in 2016, and New Jersey & Delaware in 2018.

Even at the new \$2 million threshold, Massachusetts is still a laggard in reforming its estate tax laws and is becoming increasingly inhospitable to those with above-threshold estates -- an amount that is often attained by adding the value of a rising property prices and retirement savings or sale of a business. In addition, when higher income Massachusetts residents change their domicile, Massachusetts also loses personal income tax revenue – a true lose-lose for Massachusetts.

Amendment #833 would alter the estate tax law for estates of persons dying after July 1, 2023, to provide credit shall be allowed against the tax equal to the amount of such tax up to \$182,000 and also looks to provide that estates shall not be required to pay any tax if the value of the federal taxable estate is not more than \$5,000,000, an amount to be adjusted annually for inflation. As lenders to individuals and business owners, investment managers and providers of trust services to our clients, our banks witness first-hand how the state's tax laws inhibit economic growth and vitality of our communities. For these reasons we support Amendment #833, as well as any other legislative efforts aimed at softening the blow of Massachusetts' archaic estate tax.

MBA respectfully asks that you support amendment #833 during debate on S. 4 next week.

### Conclusion

Thank you for considering our views on these proposed amendments to S. 4, An Act making appropriations for the fiscal year 2025 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,

A handwritten signature in black ink, appearing to read 'B. Papalardo', with a long horizontal flourish extending to the right.

Brad S. Papalardo, Esq.  
Senior Vice President,  
Chief of Government Affairs  
& Counsel