



May 15, 2025

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

**RE: Proposed Amendments to S 3, An Act making appropriations for the fiscal year 2026 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 3, An Act making appropriations for the fiscal year 2026 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 Amendment #5: Crumbling Concrete Prevention and Protection, #765: Crumbling Concrete Assistance Fund and #766: Crumbling Concrete Assistance Fund Commission**

Amendment #5, filed by Senator Moore and Leader Tarr, addresses the issue of deteriorating concrete foundations caused by the presence of pyrrhotite or framboidal pyrite by establishing a comprehensive regulatory framework and support system for affected homeowners.

Furthermore, Amendments #5 and #765, filed by Senator Durant, Senator Fattman, and Senator Moore, seek to establish a Crumbling Concrete Assistance Fund ("Fund"), which, in part, will:

- Provide financial assistance to owners of residential real property with concrete foundations that have deteriorated due to the presence of pyrite or pyrrhotite;
- Minimize any negative economic impacts on municipalities within which such property is located;
- Reimburse up to a certain amount eligible property owners who have replaced their concrete foundations due to the presence of pyrite or pyrrhotite prior to the Fund's establishment.

The Fund will be administered by the Secretary of Housing and Livable Communities.

Amendment #766, filed by Senator Durant and Senator Fattman, requires the Secretary of Housing and Livable Communities to convene a stakeholder working group to make recommendations for regulatory and legislative changes necessary to comprehensively address the remediation of residential property foundations that have deteriorated due to the presence of pyrite or pyrrhotite.

The Association is a longtime advocate for crumbling concrete relief and respectfully requests that you **support Amendments #5, #765, and #766.**

#### **Oppose #70: Digital Advertising Services**

Amendment #70, filed by Senator Fernandes, would impose an excise on the sale of digital advertising services on companies with revenue from digital advertising services in excess of \$50 million per year at a rate equal to 5 percent of the company's annual revenue from digital advertising services.

It is important to note that in 2021, Maryland was the first and only state to enact a similar digital advertisement tax. Since then, at least a dozen lawsuits in state and federal courts have been filed questioning the constitutionality of the tax and/or whether the tax is in violation of the Internet Tax Freedom Act (ITFA), which primarily bars state and local governments from imposing higher taxes on e-commerce. We would, therefore, recommend that those cases play out before Massachusetts takes action on similar legislation.

For these reasons, and more, we respectfully request you **oppose Amendment #70.**

#### **Support Amendment #282: Remote Online Notarization Oversight Requirements**

Amendment #282, filed by Senator Dooner, would amend the line-item for the Secretary of State's remote online notarization (RON) retained revenue by making discretionary spending under the line-item **mandatory**. Governor Healey signed legislation modernizing online notary services in 2023. To date, regulations have yet to be promulgated by the Secretary of State.

For background, RON is a modern form of notarization that allows anyone to appear before a commissioned notary using audio/video technology. RON is designed with a multi-layered approach to fraud prevention, using technology not available in the traditional paper-based process, including having the document signer be identified through at least two forms of identity proofing and an A/V recording of a signing would be created by employing tamper-evident technologies to secure electronic records.

MBA respectfully requests that you **support Amendment #282.**

#### **Support Amendment #674: Requiring Schools to Offer Financial Literacy**

Amendment #674, filed by Senator O'Connor, would require schools to teach financial literacy as a required subject to promote an understanding of personal finances and financial stability. The amendment would require school districts to implement financial literacy curriculum that would provide students an understanding of, but not limited to, loans, credit card debt, online commerce, rights and responsibilities of renting or buying a home, the role of banking and financial services, balancing a checkbook, state and federal taxes, charitable giving, saving, investing and planning for higher education or professional training.

The Association and our members have been longstanding proponents of implementing financial literacy and personal finance curriculum throughout Massachusetts public schools and wholeheartedly believe that requiring financial literacy and personal finance classes will set our students up for success in their futures in ways not seen by the generations before them.

MBA enthusiastically requests you **support Amendment #674.**

### **Oppose Amendments #787: Credit Card Taxes**

Amendment #787, filed by Leader Tarr and Senator Durant, would change the existing statute as it relates to credit card transactions. We would recommend that all discussions related to the credit card fees, credit card transactions, and anything related to credit cards be debated by the Payments Commission that was established under last year's Economic Development bill "to study the future of payments and sales transactions by credit card and other forms of payment and the impacts for small businesses in commonwealth."

MBA respectfully requests that you **oppose Amendment #787**.

### **Support Amendments #756: Estate Tax, #810: Updating the Estate Tax and #811: Estate Tax Clarifications**

While the last major reform of the Massachusetts estate tax 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 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 #756, filed by Leader Tarr, would amend estate tax law for persons dying after July 1, 2023, to provide a credit against the tax equal to the amount of such tax up to \$182,000 and to provide that estates will 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.

Amendment #810, filed by Senator Fattman, would amend provisions of the estate tax by aligning the provisions with the exemption granted in 26 USC §2010, which reduces or eliminates the estate tax liability for estates under the exemption threshold. In 2024 the exemption amount was around \$13.61 million per individual, whereas the current state exemption is \$2,000,000.

Amendment #811, filed by Leader Tarr, strikes section 24 of the outside sections of S 3, which makes a number of changes in the provisions relative to the taxation of the transfer of estate and real property, intended to align the estate tax treatment of qualified terminable interest property for an estate tax's treatment of resident and non-resident decedents with respect to out-of-state property. This amendment would allow for current statute to remain law.

As lenders to individuals and business owners, investment managers and providers of trust services to 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 Amendments #756, #810 and #811** as well as any other legislative efforts aimed at softening the blow of Massachusetts' archaic estate tax.

## Conclusion

Thank you for considering our views on these proposed amendments to **S 3**, *An Act making appropriations for the fiscal year 2026 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', followed by a long horizontal line extending to the right.

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