

Executive Summary

Raise Up Massachusetts is a grassroots coalition of community organizations, religious groups, and labor unions committed to building an economy that works for all of us. Since 2015, we've been campaigning for the Fair Share Amendment, which would raise billions of dollars for investment in transportation and public education while making our state tax system more equitable. Throughout the last year, we've also campaigned for corporations to pay their fair share to support investments in our transportation systems across the state.

The Green Justice Coalition is a partnership of community-based, environmental, and labor allies who lead campaigns that have a meaningful impact on working-class people and communities of color. Together, our members organize and advocate for a just transition to a sustainable economy that allows our communities to achieve environmental and economic justice.

After years of underinvestment, Massachusetts' transportation systems are at a crisis point. Because of the failures of our transportation systems, many working families in Massachusetts are struggling with lengthy commutes, high transportation costs, and a lack of opportunity. In order to build the modern, reliable transportation systems we need all across the Commonwealth, we need significant new revenue for investment in transportation.

At the same time, the benefits of economic growth have increasingly gone only to the very wealthy, and our state tax system is making things worse. Low- and moderate-income households in Massachusetts pay a larger share of their income in taxes than households with higher incomes do. And far too many large, profitable corporations that do business in Massachusetts use loopholes to hide their profits, exploit tax breaks to avoid paying their fair share of taxes, and take advantage of weak corporate disclosure laws to keep the public in the dark about just how little they contribute.

We need major investments in transportation, but we cannot continue to balance our budgets solely on the backs of low- and moderate-income people. Large, profitable corporations move their goods on our publicly-funded roads and bridges and bring their employees to work on our public transportation systems. They have a shared responsibility to help fund continued investments in transportation.

The Green Justice Coalition and Raise Up Massachusetts believe that any transportation revenue package considered by the Legislature this year must move us toward a more equitable and sustainable transportation system, and toward a more progressive tax system that reduces economic inequality. To do so, we support an economically progressive transportation revenue package that balances any regressive "user taxes" with revenue generated by ensuring that large, profitable corporations are paying their fair share.



In this report, we propose five principles for transportation spending:

- **Transportation should be sustainable:** New investment should help reduce the state's greenhouse gas emissions and increase the climate resiliency of our communities.
- **Transportation investments should be statewide:** Transportation spending should address the unique needs of residents in every region of the Commonwealth.
- **Public transit should be public:** Public ownership, operation, and management should form the baseline of our transit systems.
- **Public transit should be affordable:** Lower-income people, who are more likely to depend on public transit, should have access to affordable discounted fares.
- **Public transit should be equitable and accessible:** New investment should prioritize service to those historically left out of the full benefits of public transportation: people of color and working-class communities.

We also propose three principles for transportation revenue:

- **Fair:** Must be economically progressive, to bring the share of income paid by higher-income people more in line with that paid by lower-income people.
- **Sustainable:** Must be supported by the public and capable of surviving attempted repeal, so that we can count on the revenue to make necessary investments.
- **Adequate:** Must raise enough revenue to meet the Commonwealth's needs.

To meet these principles, we propose five specific revenue policies:

- **The Fair Share Amendment:** An additional tax of four percentage points on the portion of a person's annual income above \$1 million, dedicated to transportation and public education. Would generate approximately \$2 billion/year.
- **GILTI (Global Intangible Low Taxed Income) Tax:** A tax on a portion of corporations' US profits that are shifted to offshore tax havens. In a little-noticed move last year, lawmakers exempted 95% of this income from taxation, shielding offshore tax dodgers. Would generate approximately \$250-350 million/year.
- **Tiered Corporate Minimum Tax:** A tiered tax to ensure that larger corporations pay a minimum corporate tax bill in proportion to the size of their business in MA, while small businesses continue paying the current corporate minimum tax of \$456 per year. A revenue estimate is unclear due to a lack of adequate corporate disclosure, but the current corporate minimum tax generated \$55.9 million in 2015.
- **End the Single Sales Factor Tax Cut for Mutual Fund Service Companies:** This tax cut was instituted to promote financial sector employment in Massachusetts but has failed to stop recipients from transferring jobs out of state. Would generate approximately \$140 million/year.
- **Corporate Disclosure:** Laws to measure the effects of existing corporate tax loopholes, giving advocates and policymakers the information needed to identify corporate bad actors and generate additional future revenue by closing corporate tax loopholes.

