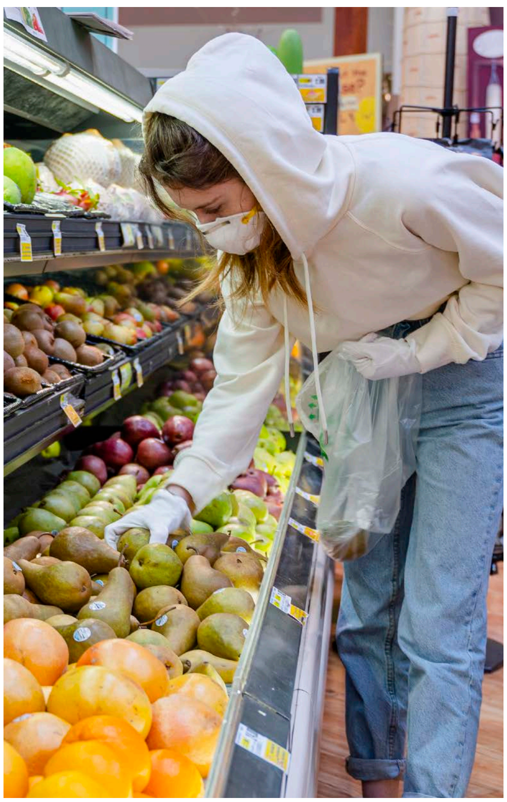
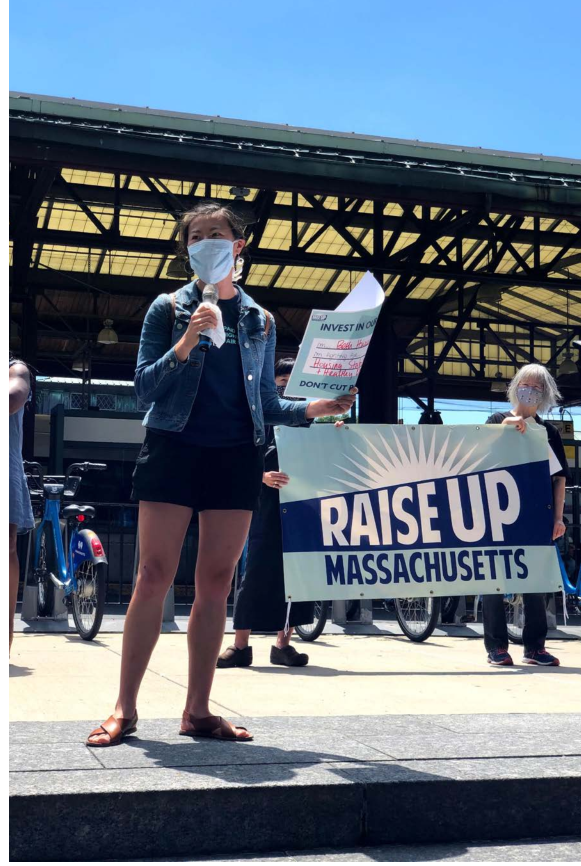


INVEST IN OUR RECOVERY, DON'T CUT PUBLIC SERVICES.

It's Time for Large, Profitable Corporations and Their Wealthy Shareholders to Pay Their Fair Share.

To fight COVID-19, reverse its economic damage, and tackle racial inequities, **our government must rise to meet the needs of our communities.** As Massachusetts responds to the COVID-19 pandemic and resulting state revenue shortfall, we must not default to severe budget cuts: these would only worsen the economic downturn, impair our recovery, and further harm the people who are already disproportionately impacted by this crisis, especially people of color, immigrants, and low-income communities.

Lawmakers have a choice: **we can let deep budget cuts drive us deeper into a recession that worsens racial and economic inequities, or we can invest in public services that improve public health, grow our economy, and reduce racial inequality.** We need Emergency Paid Sick Time to protect the health and safety of workers. Healthcare, transportation, education, safety net programs, and other critical areas of the state budget need *more* support, not less.



INVEST IN OUR RECOVERY WITH CORPORATE FAIR SHARE POLICIES

Large corporations and their wealthy shareholders have used loopholes, tax breaks, and weak corporate disclosure laws to avoid paying their fair share of taxes for years. In the last four years alone, large corporations have received federal tax cuts worth billions of dollars a year in Massachusetts. **And during this economic crisis, many of these corporations have continued to generate enormous profits that flow to their extremely wealthy shareholders, even as most families are struggling just to get by.** It's time that they pay what they owe to support our economic recovery.

Massachusetts can raise significant new revenue from profitable corporations and their shareholders this year, avoid destructive budget cuts, and invest in our recovery instead.

During the last three recessions, MA lawmakers avoided deeper budget cuts by raising $1.1 - $2.5 billion in new revenue. Raising progressive revenue to avoid budget cuts is the best way to prevent a long recession and reduce racial inequities, especially when the new revenue is invested directly in Black and Brown communities. **Legislators should adopt policies that ask profitable corporations and their wealthy shareholders to do their part for our economic recovery.**

About Raise Up Massachusetts

Raise Up Massachusetts is a coalition of community organizations, religious groups, and labor unions committed to building an economy that invests in families, gives everyone the opportunity to succeed, and creates broadly shared prosperity. Since our coalition came together in 2013, we have nearly doubled wages for hundreds of thousands of working people by winning two increases in the state's minimum wage, won best-in-the-nation earned sick time and paid family and medical leave benefits for workers and their families, led the campaign for the Fair Share Amendment to invest in transportation and public education, and started to build an economy that works for all of us, not just those at the top.

THREE CORPORATE FAIR SHARE POLICIES FOR MASSACHUSETTS

INCREASE THE TAX RATE ON CORPORATE PROFITS

Businesses that are turning a profit should be expected to contribute more to support the public goods on which their profits are based, especially during a public health and state fiscal crisis. **Raising the current rate of 8.0% to the pre-2010 rate of 9.5% could generate $375 - $500 million annually from profitable businesses, even during a recession.**

TAX PROFITS SHIFTED OVERSEAS BY INCREASING THE TAX RATE ON GILTI (GLOBAL INTANGIBLE LOW TAXED INCOME)

Many multinational corporations that do business in MA dodge taxes through accounting schemes that make their MA-based profits look like they were earned in offshore tax havens. This "income shifting" often places profits beyond the reach of US tax authorities. MA should follow many other states and match the federal provision that makes half of this income subject to tax. **This could generate $200 - $400 million annually.**

INCREASE THE TAX RATE THAT INVESTORS PAY ON UNEARNED INCOME

Over the last several decades, MA has reduced the tax rate on most types of unearned income (income from investments and other forms of asset ownership, such as stocks, bonds, and dividend and interest income). Today, most unearned income is taxed at the same rate as earned income (income from wages and salaries). Unearned income goes overwhelmingly to corporate shareholders and other high-income individuals, who currently pay a substantially smaller share of their income toward state and local taxes in MA than the rest of us do. These wealthy investors should contribute more to support the public goods on which we all depend. **Each percentage point increase from the current rate of 5.0% could generate $400 - $500 million annually.**