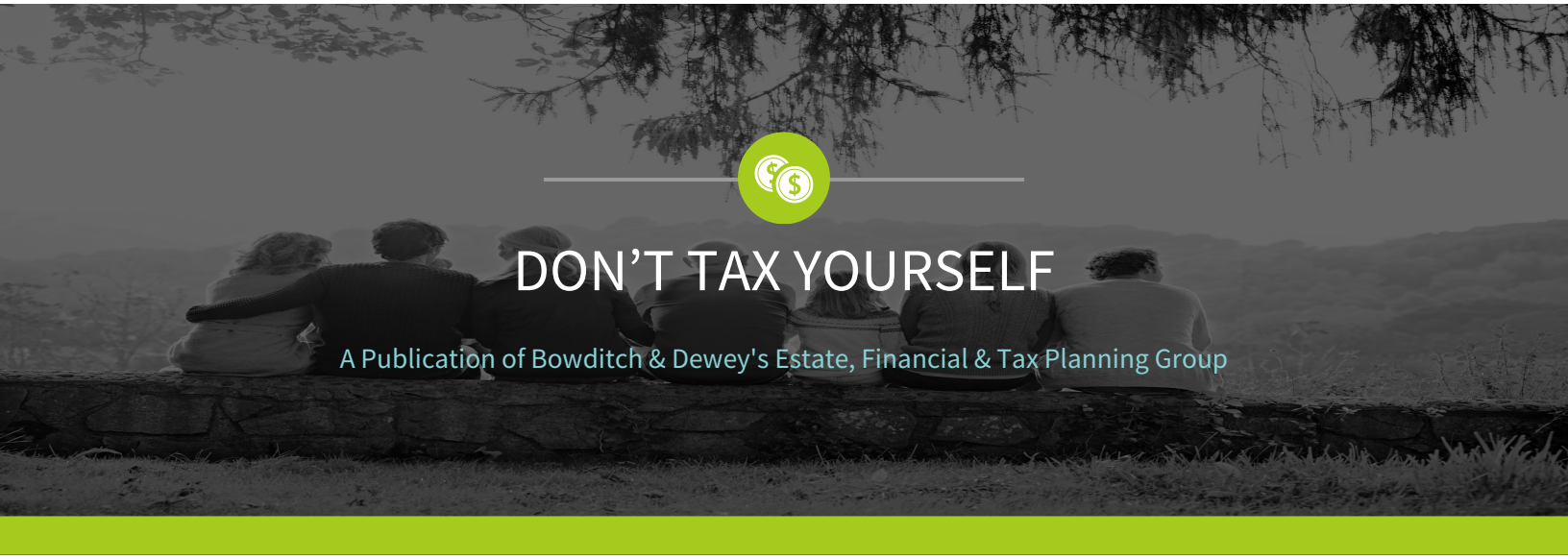

Broken Promises: Massachusetts Legislature Fails to Deliver Estate Tax Reform, Relief for Low Income Residents and Seniors

BY SCOTT C. CASHMAN • AUGUST 22, 2022

In a stunning about-face, after missing their July 31, 2022 midnight deadline, in the early morning hours of August 1, 2022, the Massachusetts legislature announced that they had failed to pass an economic development plan that just days before had the support of both the Democratic Senate and House, in addition to support from Republican Governor Charlie Baker.

Even more stunning is that the legislature had voted a mere week before to provide residents with $250 "stimulus" checks, as well as other relief for renters and low-income residents.

Since all of the negotiations in both the House and Senate took place behind closed doors, it is difficult to ascertain what exactly led to this utter failure to provided much-needed tax relief to Massachusetts residents. The Speaker of the House, Ronald Mariano, suggested that, at least in part, the culprit was the last minute "discovery" of a 1986 voter-approved measure that would rebate excess revenue to all taxpayers, which would result in what Mariano called an unexpected "$3 billion assessment."

The failure of the legislature to pass the much-anticipated estate tax reform proposed by Governor Baker is yet another major disappointment. Both progressives and conservatives agreed that Massachusetts is in dire need of estate tax reform. Only 18 states impose an estate or inheritance tax, and Massachusetts is unduly burdensome in that regard, which is driving retiring residents away. Currently, the Bay State requires all estates valued at $1 million or more to file an estate tax return, which, due to increases in home values, has become a crippling burden on the middle class. One of the tax-relief measures being considered was a change that would result in estates up to $2 million being exempt from the estate tax.

It is possible that the Massachusetts legislature will be able to pass some or all of the tax relief measures going forward.

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