



MASSACHUSETTS BUSINESS ROUNDTABLE

**Joint Committee on Revenue  
April 10, 2007**

**H.3075 – An Act Relative to the Taxation of Telecommunication Companies**

Senator Creem, Representative Binienda, Members of the Committee, thank you for this opportunity to testify in opposition to H.3075, An Act Relative to the Taxation of Telecommunication Companies.

The Massachusetts Business Roundtable's (MBR) mission is to apply the knowledge, experience and insight of our members to assist the state's elected leaders in developing long-term policies that promote the social and economic vitality of our state. We believe that the way to increase and sustain revenues for a strong state budget over the long term is to promote policies that encourage job growth and build the physical and talent infrastructure to support it.

Over the past few years, we have joined with the Legislature in promoting policies to create long term, sustainable economic growth. From the landmark health care reform law, to the important economic development tools in the economic stimulus law, to streamlined permitting legislation, to our shared commitment to pre-K-12 and higher education, the business community and the public sector have taken important steps to improve the business and social climate of our Commonwealth and we appreciate the legislature's leadership in these areas.

An integral component to create and maintain this growth is a stable, competitive tax structure. This promotes investment in infrastructure, innovation and talent – the drivers of our competitiveness in the global economy. The telecommunications industry is at the leading edge, investing \$1.9 billion in new technology in 2006, while generating nearly \$500 million in state and local revenue. Investments in communication infrastructure, particularly in the area of broadband, are just the type of investments that will drive our future innovation economy and should be encouraged through our taxation policies.

The recent investments by the telecommunication industry in the state's infrastructure have been extraordinary, and made possible by the policies currently in place. We are a high-tech state, at the forefront of innovation, due in large part to these investments. The current taxation policies of telecommunication companies are working. To continue to encourage this investment, and position our state and region for long term, sustained economic growth, we respectfully convey our opposition to H.3075.