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LIEUTENANT GOVERNOR

April 27, 2009

Massachusetts Senate
Massachusetts House of Representatives
State House
Boston, MA 02133

Dear Member:

This afternoon, as the House considers its budget proposal for FY10, members will be asked to consider an increase in the sales tax. Without final and satisfactory action on the several reform proposals before you, I cannot support a sales tax increase and will veto it if it comes to my desk.

I appreciate the need to raise additional revenue for essential services, and have proposed a number of targeted measures and reforms to help meet the need. Our proposals were thoughtful, data-driven and specific, and, in the case of the gas tax in particular, would create jobs and support economic growth. I have deep reservations about imposing a higher sales tax on people during these difficult economic times, especially at the risk of costing the Commonwealth jobs and at a time when we can least afford that trade-off. Doing so without meaningful results on the reform agenda is unacceptable.

Before we consider any broad-based tax increase, we must first regain the public's confidence in government's ability to steward public funds wisely. That's what our reform agenda is about. On that front, we have unfinished work.

The transportation reform bill is now in conference. Real transportation reform requires simplicity, accountability, regional equity and true cost savings. We are not there yet. As I have said repeatedly, without real reforms, I will not support new transportation revenue. Without new revenue, we will unfortunately be forced to rely on toll hikes and MBTA fare increases and service cuts to meet our transportation responsibilities.

Pension reform is now also in conference. We must end the abuses and loopholes that justifiably outrage the general public and embarrass everyone in state government. A final bill that applies only to people not yet on the public payroll does not meet that test.

The Senate has taken no action at all yet on our ethics reform measures. Several municipal reforms, including (but not limited to) an easier path into the cost-saving GIC for municipal employees and elimination of the telecom exemption, still await action, leaving unchanged the pressure on local property taxes. Our proposals to end sales tax exemptions on alcohol, soda and candy to fund public health and wellness programs have not moved. The failure to take up these latter issues has caused us to have to make deeper cuts in local aid and other programs in the current fiscal year.

Crafting this year's budget is more challenging than any other in decades. As you consider the task before us in the coming weeks, be mindful that the times demand that we think and act differently than we have in the past. Together we must make the hard decisions that will deliver meaningful reform in transportation, pensions, ethics and municipal finance now. We must also reach agreement on how to dedicate any new revenue to specific unmet needs in education, health care, human services, transportation, public safety, local aid, and a worsening revenue gap for 2010.

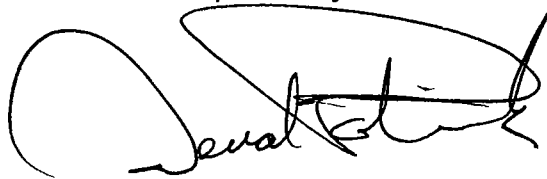
We owe it to the people of Massachusetts to use this opportunity to change the way we approach these problems, and to work together on a more comprehensive solution that will provide the revenue we need while delivering real reforms and real change in the

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way we do the people's business. Without this, I will veto a sales tax increase if it comes to my desk.

I look forward to working with you to bring about this change.

Respectfully,

A handwritten signature in black ink, appearing to read "Seval" followed by a stylized surname. The signature is written in a cursive, somewhat slanted style.