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GOV. BAKER RE-AFFIRMS LATEST LOCKDOWN RULES

[Courtesy *State House News Service*]

The migration of college students returning home from campuses around the state and the country for Thanksgiving and the possibility they could bring COVID-19 with them has public health officials "very concerned," Gov. Charlie Baker said today as he announced new guidance for colleges and universities.

Baker said Massachusetts wants colleges and universities to make testing available to all students planning to leave campus for Thanksgiving within 72 hours of their departure. If a student tests positive, they should isolate in university housing for COVID-positive students, Baker said.

"Today we're urging everybody to make a difficult choice this Thanksgiving. If we treat this year just like we treat every other Thanksgiving, it's quite likely that it will trigger a significant spread. And we know that that leads to serious illness for many and in rare cases death, especially among our senior citizens," the governor said. The guidelines for higher education institutions were "designed to ensure students are leaving campus, where they're often in communal spaces and with peers, free of the virus," he said.

"Hopefully it'll help prevent thousands of students from traveling around the state and over state lines to potentially infect their family members and loved ones with this virus when they return home," Baker said.

Secretary of Health and Human Services Marylou Sudders said a message from Public Health Commissioner Monica Bharel will be sent to 4.5 million phone lines in Massachusetts tomorrow (Thursday) "reminding residents of the increased risk of contracting and spreading COVID-19 over the coming holiday season."

Baker reminded people of the state's 10-person limit for private indoor gatherings, its restrictions on travelers from all states but Maine, New Hampshire, Vermont, and Hawaii, its stay-at-home advisory, and mask-wearing guidance.

"And at this point, folks should be going to school, or to work, and going home," he said. "And if people abide by these very simple rules and concepts and do it consistently, they



"And if people abide by these very simple rules and concepts and do it consistently, they can allow us to keep everything open, our schools and our economy. And it can give us the kind of holiday season that I think everybody is hoping for."

Information and updates for COVID-19 infections in Massachusetts and the Commonwealth's lockdown orders can be found [here](#).

BEACON HILL TAX DEBATE

It is no secret that the Coronavirus crisis has caused budget gaps at all levels of government in the Commonwealth due to state-imposed economic shutdowns. It is also no secret that even in the worst of times there is a growing chorus of progressive legislators who feel that the various Massachusetts tax rates are too low and that more revenues are needed in order to make "investments" (code word for spend more) on various programs near and dear to the progressives' heart.

Progressives began the drumbeat for higher taxes in earnest a couple years back especially with the proposed creation of the Millionaires Tax constitutional amendment, which the Supreme Judicial Court ultimately shot down as unconstitutional in 2018. Well, the Millionaires Tax is back in a redrafted form and is making its way through the legislative process to be ultimately placed before voters in the coming years. Moreover, liberal legislators were talking about various tax hikes earlier this year, only to be sidetracked by the virus crisis.

In the Spring, readers may recall that legislators successfully supported a gas tax hike for transportation project funding, but also took a run at, unsuccessfully, repealing the trade-in allowance on motor vehicle sales. As the Coronavirus flared up across the Commonwealth, adversely impacting business operations and employment, legislators backed away from undertaking any tax increases.

These issues, along with highway toll hikes and income, sales, and capital gains tax increases, will be on the table again next year, especially if we clear the virus hurdle and the Commonwealth's citizens return back to some type of normal life.

Below, find two recent news stories discussing the potential tax debate ready to unfold next year.

D.C. Gridlock Could Block Federal Tax Hikes, But Mass. Taxes Are Another Story

[Courtesy of *Boston Business Journal*]

Former Vice President Joe Biden wants to raise corporate taxes, but will Congress support him?

In a PricewaterhouseCoopers LLP survey ahead of the election, executives were clear about what they saw as the top policy risk facing U.S. businesses. The pandemic may be getting worse, and climate change's effects may be growing ever more real, but their biggest policy concern, whether Trump or Biden won, was corporate taxes.



For all of those executives fearful of higher corporate taxes, the results of last week's election appear promising, at least at the federal level. State taxes in Massachusetts, however, could be another story.

President-elect Joe Biden favors increasing the corporate tax rate to 28% from 21%, after Congress and the Trump administration lowered it to 21% from 35% in 2017. He also wants to raise taxes on the wealthy, including for capital gains.

But Republicans are poised to retain control of the Senate unless Democrats pick up both U.S. Senate seats in Georgia in a January runoff. Without a Senate majority, Biden will be hard-pressed to win the broad-based corporate tax hikes he campaigned on.

"With a Biden administration potentially looking at a closely divided government, it will be unlikely that we will see any significant tax increases until at least after the 2022 midterm elections," said Dave Foss, PwC's Boston-based managing partner for the Northeast market.

That's not to say there will be no changes in federal tax policy. A pandemic-related stimulus package, should the two parties finally reach agreement on one, could include tax credits for businesses, as the CARES Act did. In addition, there are a number of tax increases in the 2017 tax law, including related to the tax treatment of research and development costs, that are due to come into effect in Biden's first term that could be subject to negotiation.

In Massachusetts, the biggest potential tax change on the table is the millionaires tax, which would go before voters in November 2022. The proposal would increase income taxes on Massachusetts residents making \$1 million or more in a year. In addition, labor unions, progressive groups and others are also calling for increases to the state corporate tax rate, to capital gains taxes, and on overseas corporate profits to help fund state government during the pandemic.

One of the leaders of Raise Up Massachusetts, a progressive group leading the charge for the tax hikes, said that gridlock in Washington would cause Raise Up and its allies to push even harder for more state revenue.

"We're going to have to do more, sooner and more boldly, than we would if it had been a clean sweep for the Democrats," said Harris Gruman, a Raise Up leader and Service Employees International Union political director.

Many lawmakers on Beacon Hill are supportive of the millionaire's tax, though its passage will ultimately depend on a ballot question two years away. A corporate tax hike and other tax increases could happen more quickly, but in recent weeks Gov. Charlie Baker and the House Ways and Means Committee have put forward fiscal year 2021 budgets with no broad-based tax increases.

Gruman acknowledged that while he believes the Massachusetts tax increases make sense regardless of what happens in Washington, it's possible state lawmakers may be more



receptive to the hikes if federal tax rates stay where they are.

Meanwhile, Massachusetts Taxpayers Foundation President Eileen McAnneny argued it can be folly to base state-tax decisions on what's happening in Washington. If Democrats take the Senate in 2022 and vote to significantly increase taxes, Massachusetts lawmakers might rethink the wisdom of imposing a millionaires tax on top of the federal tax hikes, McAnneny said. But by that point, she said, it would take years to undo the millionaires tax because it would be a constitutional amendment.

State Sen. Hinds: Tax Debate An "Important Strategy" For Next Session

[Courtesy *State House News Services*]

Quietly dropping a fight that progressives have urged the Legislature to take on, state senators will not debate a proposal to raise taxes on corporations and the income derived from stocks and bonds as part of this year's state budget, but some have their eye on a broader revenue talk when the new term begins in January.

The lame duck budget debate kicked off in the Senate yesterday after House lawmakers last week passed their roughly \$46 billion spending plan on a 143-14 vote. Sen. Jo Comerford (D-Northampton) withdrew an amendment she said she filed with support of her constituents and advocates in the Raise Up Coalition, which sought to increase the tax rates on corporate profits, on profits from Massachusetts-based corporations that Comerford said had been shifted overseas, and on so-called "unearned income" like dividends and interest.

"I urge all of us to take up revenue at the top of next session, and I know I'm not alone in my desire to do so," Comerford said, pointing to the revenue working group led by Sen. Adam Hinds (D-Pittsfield).

Sen. Becca Rausch (D-Needham) said there were other revenue amendments that would not be adopted, including her plan to impose an opioid-sales excise tax on pharmaceutical companies and "creative and progressive" proposals from other senators.

"These measures are equitable and have garnered broad support, and we truly must address them in the future," Rausch said.

Like the House's, the Senate budget does not propose broad-based tax hikes, and Senate Ways and Means Chairman Michael Rodrigues (D-Westport) has said that, while senators could offer tax amendments, his committee would not support them. The fiscal 2021 budget relies on federal stimulus dollars and other one-time money that won't be available next year.

"You can see why holding onto the tools that might allow us to bring new revenue to the table in the next fiscal year is actually an important strategy for us," Rodrigues said. "It's a way to maintain those critical investments next fiscal year and beyond, when we do not have the current levels of external supports. All of the above points to a robust debate on revenue in the new year, and I for one look forward to that."



NADA RELEASES 2020 WORKFORCE STUDY RESULTS

NADA recently released its 2020 National & Regional Trends in Compensation, Benefits & Retention Report based off the information obtained through the *NADA Workforce Study*.

This essential report contains analysis of the car and light-truck industry, along with a look into the commercial truck industry. The *Trends Report* presents national and regional data on compensation, benefits, retention, hours of operation, and work schedules for 60 car and truck dealership positions.

Data collected from thousands of payroll records, plus year-over-year comparisons, give you a picture of where you should be to manage your workforce effectively. The report includes analysis by the automotive retailing industry's leading provider of workforce metrics, guides and trends, and HR best practices.

NADA member dealers, who wish to have the most recent statistics and analysis regarding compensation, retention, turnover, and benefits, can purchase this report by clicking on this [link](#). Those dealerships that participated in the study have been sent a copy of the report along with a custom report because of their participation. If your store(s) participated in the study and have not seen and/or received your copy of the *Trends Report*, please contact Joe Fleming with NADA at: (703) 448-5891 or jfleming@nada.org to check on the status of your report(s).

This report is comprised of 2019 calendar year payroll data and survey responses from nearly 2000 participating car and truck dealerships in the U.S. It depicts compensation trends, turnover in positions, demographics, and a comparison of earnings to tenure.

Look for the enrollment announcement in early 2021 to participate in the 2021 Study. For more information, visit www.nada.org/workforcestudy.

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