

HOUSE No. 4405

The Commonwealth of Massachusetts



OFFICE OF THE GOVERNOR
COMMONWEALTH OF MASSACHUSETTS
· , MA
(617) 725-4000

August 13, 2014

To the Honorable Senate and House of Representatives,

Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution, I am returning to you for amendment Sections 51, 64, and 98 of House Bill 4377, “An Act promoting economic growth across the Commonwealth.”

Sections 51, 64, and 98 propose a new “angel investor” tax credit. As you know, this administration has a strong record of supporting efforts to encourage the Commonwealth’s innovation economy. But I am not convinced that this new credit is necessary for these efforts. And, as explained in my separate veto message today about a different tax credit, these efforts are usually best supported by prioritizing direct public investments in education, innovation, and infrastructure. Therefore, I propose a thorough study of whether this new tax credit is the most effective means to achieve this desirable goal.

For these reasons, I recommend that Sections 51, 64, and 98 be amended by striking out their text and inserting in place thereof the following text:-

SECTION 1. The office of commonwealth performance, accountability and transparency in the executive office for administration and finance, in consultation with the executive office of housing and economic development and the department of revenue, shall study the angel investor tax credit proposed in sections 51, 64, and 98 of House, No. 4377 of 2014. The study shall include consideration of alternatives to the credit in supporting the commonwealth’s innovation economy, other states’ experiences, and the recommendations of the tax expenditure commission

dated April 30, 2012. The office shall file a report of its findings, together with any recommended legislation, with the joint committee on revenue not later than June 30, 2015.

Respectfully submitted,

Deval L. Patrick,
Governor