

HOUSE 5280:

AN ACT MAKING APPROPRIATIONS FOR THE FISCAL YEAR 2026 TO PROVIDE FOR SUPPLEMENTING CERTAIN EXISTING APPROPRIATIONS AND FOR CERTAIN OTHER ACTIVITIES AND PROJECTS

(summary reflects text as redrafted)

SPONSORS:

House Committee on Ways and Means

LEGISLATIVE

03/18/26 H5264, published as amended

HISTORY:

Passed to be engrossed - 150 YEAS to 3 NAYS (See YEA and NAY No. 145)

03/23/26 Read and referred to the Committee on Senate Ways and Means

EXISTING LAWS

AFFECTED:

M.G.L. c. 15A §§ 5B, 9; c. 22D § 2I; c. 62 §§ 1, 2, 6; c. 63 § 30, 38VV; c. 64H § 6; c. 90 § 2F; c. 115 § 16; c. 148 § 33; c. 175M § 6; Chapter 102 of the Acts of 2021; Chapter 9 of the Acts of 2025

PROPOSED

LEGISLATION:

- Appropriates \$1.85B, including:
 - \$221K for the Board of Bar Examiners
 - \$12.3M for indigent persons fees and court costs
 - \$300M for GIC plan and premium costs
 - \$25M for settlements and judgements
 - \$1M for the Immigrant Legal Assistance Fund
 - \$41.6M for DTA caseworkers
 - \$600K for WIC manufacturer rebate retained revenue
 - \$31M for the Department of Corrections
 - \$15M for early literacy programming
 - \$5M for adult basic education
 - \$2.5M for K-12 student mental health supports
 - \$25M for high dosage tutoring
 - \$32M for Special Education Circuit Breaker reimbursements in fiscal year 2026
 - \$4M for rural school aid in fiscal year 2026
 - \$1M for the Cannabis Control Commission to conduct a public education program
 - \$100M for bridge funding for public higher education institutions impacted by federal research funding losses
 - \$500K for the Health Care Affordability Working Group
 - \$54.4M for costs incurred in fiscal year 2025 for staffing related to the care and custody of inmates at the 14 county sheriffs' offices
 - \$3.5M for the Affirming Health Care Trust Fund
 - \$100K for local education projects
 - \$1M to support cell-phone-free schools

- \$200M for Special Education Circuit Breaker reimbursements in fiscal year 2027
- \$25M to support regionalization and shared services for school districts
- \$4M for rural school aid in fiscal year 2027
- \$18.3M for public higher education financial aid
- \$10M for a pilot scholarship program at the University of Massachusetts Medical School to promote the pipeline of family medicine physicians in the Commonwealth
- \$60M for MBTA commuter rail capital
- \$20M for the low-income fare program at the MBTA
- \$45M for operating supports for the regional transit authorities
- \$7M for the maintenance of unpaved roads
- \$100K for local transportation projects
- \$50M for capital investments at the regional transit authorities
- \$10M for statewide water transportation improvements
- \$15M for microtransit and last mile grants
- \$445M in operating support for the MBTA
- \$101M for relief payments to municipalities to mitigate the impacts of the extreme winter weather
- Updates the financial assistance information required to be submitted from an individual seeking to participate in the no cost community college program.
- Clarifies that information obtained in the determination of eligibility for in-state tuition rates and fees at public institutions of higher education and for state-funded financial assistance shall be protected from disclosure under public record laws.
- Establishes a Joint Hazard Incident Response Team composed of fire service hazardous material technicians and members of the state police bomb squad, under the direction of the Director of Hazardous Materials and authorizes the team to provide technical and operational assistance to law enforcement agencies.
- Limits capital gains tax benefits for investments made in federally designated Qualified Opportunity Zones to those zones within Massachusetts.
- Delays implementation of the accelerated deduction for research and experimental expenditures allowed by the One

Big Beautiful Bill Act (OBBBA) until taxable years beginning on or after January 1, 2026.

- Creates a refundable tax credit of up to \$5000 for farm businesses that donate food to nonprofit food distributors.
- Prevents automatic coupling of federal tax changes on current or previous tax years if the Department of Revenue Commissioner determines the changes will have a state revenue impact of greater than \$20,000,000.
- Creates an optional 4% excise tax on certain pass through entity income.
- Creates a sales tax exemption for building materials, tools, and fuel used in the construction of approved multifamily housing projects.
- Reduces the amount of surety bond required to be posted by charity license plate sponsors.
- Allows the Secretary of Veterans Services' approval of a Veteran status decision by the Veterans Equality Review Board to be proof of a Veterans status for all state programs and services.
- Makes technical changes to the paid family and medical leave contribution ratios.
- Delays implementation of OBBBA changes to the following tax deductions until taxable years beginning on or after January 1, 2027: i) business interest deduction, ii) expensing of depreciable business assets, iii) deduction for qualified production property, and iv) qualified opportunity zones tax deferral.
- Requires the Comptroller to transfer \$150M from the Education and Transportation Innovation and Capital Fund to the High-Quality Early Education and Care Affordability Fund.
- Prevents the imposition of underpayment penalties and interest for taxable year 2025 where a taxpayer files an amended return for the purposes of complying with the changes in this bill.

- Ratifies several approved collective bargaining agreements.

ESTIMATED
FISCAL
IMPACT:

This legislation makes \$1,836,246,066 in direct fiscal year 2026 appropriations from income surtax and General Fund collections.

(AHC)