

FINANCIAL EXPOSURE:

Rating the States on Economic Development Transparency
(read here: <https://goodjobsfirst.org/financialexposure>)

APPENDIX for Massachusetts

Transparency scores for major state programs
(* see next page for scoring details)

Program Description	Recent Annual Cost	Online Recipient Disclosure	Recipient Disclosure Score*
Economic Development Incentive Program (EDIP) - state tax credits and/or local property tax incentives in exchange for a commitment to new job creation, existing job retention, and private investment in the project	\$1.7 million (2020)	Source	53/100
Film Tax Incentive Program - enacted in 2002; a credit equal to 25% of payroll or production expenses minus payroll; either 100% transferrable or 90% refundable; sales tax exemption available for film school productions	\$75 million (2020)	Source	19/100
Investment Tax Credit - enacted in 2003; excise tax credit equal to 1% of the cost of purchasing, leasing, or constructing property; for manufacturing, R&D, agricultural, and fishing companies; 3-year carry-forward	\$77 million (2021)	none	0/100
Life Sciences Tax Incentive Program - five refundable credits: investment=10% of construction, user fees=100% of user fees, jobs for 50 new jobs, research=10% of R&D expenses, Angel Investor= 20-30% of investment; 90% refundable except for research tax credit	\$19 million (2020)	Source	11/100
Research Tax Credit - enacted in 2009; tax credit equal to the first \$25,000 of corporate excise tax due plus 75% of any excise tax due in excess of \$25,000; 15- year carry-forward.	\$478 million (2021)	none	0/100

Financial Exposure: Rating the States on Economic Development Transparency	Maximum possible score	Economic Development Incentive Program (EDIP)	Film Tax Incentive Program	Investment Tax Credit	Life Sciences Tax Incentive Program	Research Tax Credit
Scoring Details for Massachusetts Programs						
<i>Score criteria (point values in parentheses)</i>						
PROJECT INFORMATION						
address/coordinates (8); zip code (5); city or county (3)	8	3	0	0	0	0
month + year of agreement/contract/project (1)	1	1	0	0	1	0
nature of project (1)	1	1	0	0	0	0
ADVANCE NOTICE AND PUBLIC PARTICIPATION						
full applications (5); applicant names + amounts (2); applicant names (1)	5	0	0	0	0	0
cost-benefit analysis at least 15 days in advance (3)	3	0	0	0	0	0
meeting: full proposal (4); program + applicant (3); agenda (2); dates (1)	4	0	0	0	0	0
full draft agreements ahead of approval (3); full agreements after (1)	3	0	0	0	0	0
RECIPIENT IDENTITY						
federal employer identification number (1)	1	0	0	0	0	0
industry classification NAICS code (1)	1	0	0	0	0	0
parent company for all awardees (3)	3	2	0	0	0	0
SUBSIDY INFORMATION						
approved/awarded subsidy value (4)	4	4	2	0	4	0
disbursed/claimed subsidy amount (6)	6	0	6	0	0	0
status + penalty actions (10); status only (5)	10	0	0	0	0	0
JOB CREATION REPORTING						
number of projected new/retained jobs/trainees (6)	6	6	0	0	0	0
number of actual new/retained jobs/trainees (14)	14	14	0	0	0	0
WAGES/PAYROLL REPORTING						
projected wage/payroll for new/retained jobs (5)	5	0	0	0	0	0
actual wage/payroll for new/retained jobs (10)	10	10	0	0	0	0
EXPENDITURE/INVESTMENT REPORTING						
projected capital investment/expenditure/cost (1)	1	1	0	0	0	0
actual capital investment/expenditure/cost (4)	4	4	4	0	0	0
DATA ACCESSIBILITY AND USABILITY						
two clicks from program page (3); - 1 for every additional click	3	2	2	0	2	0
unambiguous data and explanations (2)	2	2	2	0	2	0
five years of data placed together (2); on different pages (1)	2	2	2	0	2	0
downloadable to database applications (3); downloadable to PDF (1)	3	1	1	0	0	0
TOTAL PROGRAM SCORE	100	53	19	0	11	0

see next page for scoring notes

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Scoring notes for Massachusetts

Two of the programs we chose for Massachusetts are as-of-right tax credits that eligible taxpayers can claim directly without applying; recipients are always undisclosed.

Economic Development Incentive Program (EDIP)

<https://www.mass.gov/info-details/economic-development-incentive-program-edip>:

Descriptions of projects are provided on a webpage, but they are fairly thorough. Most uncommon of all, they include the names of the parent companies.

Film Tax Incentive Program

<https://www.mass.gov/lists/massachusetts-dor-tax-credit-transparency-reports#2019->:

Disclosures are provided in annual "Tax Credit Transparency Reports." The report distinguishes programs by credits that are issued after going through an award process, credits that are issued without an award process (credits are issued to all eligible businesses), and credits that are awarded but not issued (i.e. taxpayers can directly claim once approved). The Film Tax Credit belongs in the second category such that the amount approved is not applicable. We believe this information should be provided, and thus we discounted the scores.

Investment Tax Credit

There is no online recipient disclosure for this program as it is as-of-right.

Life Sciences Tax Incentive Program

<https://www.mass.gov/lists/massachusetts-dor-tax-credit-transparency-reports#2019->:

Disclosures are provided in the same document as Film Tax Incentive Program above. The Life Sciences program belongs in category 3 which are credits that are awarded based on applications but no formal issuance is required such that the amount claimed is not applicable. We believe this information should be provided since it represents actual fiscal cost.

Research Tax Credit

There is no online recipient disclosure for this program as it is as-of-right.