

Beacon Hill Byline by Mary Rogeness

August 8, 1996

Legislature enacts tax cut

Unlike the calendar that hangs on my wall which begins the new year in January, and unlike the federal government which begins the new year in October, the commonwealth of Massachusetts begins our year in July. The fiscal year of 1997 is already a month old. And I can point with pride to the fact that Massachusetts began that fiscal year with a budget that was signed by the governor, sealed by the legislature and balanced. Our record of presenting a timely balanced budget over the past five years stands alone among similar states in the nation.

After passing the budget, we analyzed remaining unmet needs and the revenues on hand at the end of the fiscal year. And we went beyond our record of producing balanced budgets to enact an income tax cut for all taxpayers. Here is how that came about.

Each year the legislature considers the tax receipts that remain in the state's coffers after budgeted moneys are expended in order to determine how we can augment various underfunded accounts. This is our "deficiency" budget. For the past several years we have also saved money to build a rainy day fund for future emergencies. A law passed in the '80s states that a tax cut shall be given to individual taxpayers when that rainy day fund reaches three percent of the state budget. That magic percentage was reached in 1996.

Before we considered a tax cut, we addressed a number of needs across the state. Having made sure that the fund would still have enough for true emergencies, we funded salary accounts, provided low interest loans for Title 5 repairs and funded negotiated salary accounts, to name a few items.

In one measure that is of importance to every community, we also appropriated the sum of \$25 million for road projects in cities and towns across Massachusetts. Our town of Longmeadow is the beneficiary of \$66,000 to undertake some of the road repairs that have been waiting for funding. The legislators as well as the citizens of our region sometimes feel that our needs are sacrificed to the needs of Boston's, Big Dig, and this appropriation goes a long way toward dealing with that concern.

I worked with Senator Wetmore on the conference committee that ironed out differences between the house and the senate versions of the deficiency budget, a committee of six members. His district encompasses the eastern portion of my district, the towns of Monson and Wales. Those two small towns were very well represented in those deliberations. The committee has six members, so one third of the members represent the same 10,000 voters. We should have been able to gain substantial benefits for Monson and Wales. Boston was not represented at all, though I must admit their interests did not seem to suffer.

School funding was increased in the annual budget, and local aid increased as additional lottery proceeds were distributed this year. With the appropriation that increases the spending for our road repairs in the deficiency budget, our town is well positioned for the coming year. And with our individual tax reduction, we should all be a little better off next April 15.