



The Commonwealth of Massachusetts
House of Representatives
State House, Boston 02133-1054

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FOR IMMEDIATE RELEASE
July 11, 2018

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House approves sales tax holiday for August 11-12

Representative Smola supports tax relief measure for consumers

BOSTON – Massachusetts residents would receive a temporary reprieve from the state sales tax for the first time since 2015, under a House proposal designating a two-day sales tax holiday on August 11 and 12.

Representative Todd Smola (R-Warren) supported the proposal, which was adopted by the House of Representatives on a 124-18 vote as part of a comprehensive economic development bond bill on July 10. The tax-free weekend must still be approved by the Senate and signed by Governor Charlie Baker before it can take effect.

House Bill 4714 would waive the state sales tax for purchases made on August 11 or 12 on most items costing less than \$2,500. Certain items would still be taxable on those two days, including telecommunications services, tobacco and marijuana products, motor vehicles, and meals.

Representative Smola noted that the “grand bargain” bill signed into law by Governor Charlie Baker on June 28 establishes a permanent annual sales tax holiday in Massachusetts beginning in 2019. The language included in the economic development bond bill would allow Massachusetts residents and businesses to reap the benefits of the tax-free weekend one year before the new law takes effect.

In addition to the sales tax holiday, the bill establishes an apprenticeship tax credit for businesses that hire and train new employees in high demand fields, including healthcare, manufacturing, and information technology. Employers who provide pipeline training to the unemployed would also be eligible for performance-based grants offered through the Workforce Training Trust Fund (WTTF).

“This bill includes a combination of targeted investments and policy changes to help promote economic development in the Commonwealth,” said Representative Smola. “It supports employers and local communities by creating new jobs and professional training opportunities.”

House Bill 4714 also authorizes \$666 million in state borrowing to enhance economic opportunities throughout the Commonwealth, including:

- \$300 million for the MassWorks Infrastructure Program, which provides public infrastructure funding for municipalities to support economic development and job creation;
- \$75 million in competitive grant funding for community colleges and innovation centers to establish, upgrade, and expand technical education and training programs for regional economic and workforce development priorities;
- \$12.5 million for the Massachusetts Technology Development Corporation/MassVentures to provide competitive grants to growing Massachusetts-based companies seeking to commercialize technologies developed with the assistance of Small Business Innovation Research (SBIR) or Small Business Technology Transfer (STTR) grants from the federal government;
- \$1.25 million for the Massachusetts Growth Capital Corporation to provide matching grants to help community development financial institutions and community development corporations leverage federal or private investments for small business loans;
- \$50 million to help the Massachusetts Cultural Facilities Fund advance tourism by supporting capital improvements to cultural facilities and preserving the state’s cultural resources;
- \$25 million in matching grants to allow higher education institutions to participate in and receive federal funding through Manufacturing USA.

The economic development bond bill now moves to the Senate for further action. For additional information please contact Representative Smola at Todd.Smola@mahouse.gov or (617)722-2100.

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