



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

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Rep. Smola supports Governor Baker's call for reinstating the state's charitable tax deduction

BOSTON – Representative Todd M. Smola (R-Warren, Ranking Member, Committee on Ways & Means) recently supported Governor Charlie Baker's proposal to reinstate the state's charitable tax deduction beginning on January 1, 2022, saying it will fulfill a promise to the state's voters who overwhelmingly approved the creation of the deduction more than two decades ago.

Representative Smola voted to sustain the Governor's veto of language in the Fiscal Year 2022 budget that calls for delaying the charitable deduction. The effort fell short, however, as the Governor's veto was overridden by the House of Representatives on a vote of 124-35.

Representative Smola said the voice of the voters of Massachusetts, who approved the creation of the charitable tax deduction by a more than 2-1 margin on the November 2000 state ballot, need to be heard. Although the charitable tax deduction was implemented for the tax year beginning on January 1, 2001, Massachusetts taxpayers were only able to claim the deduction for one year before the Legislature voted to suspend it in 2002. The same legislation that suspended the tax deduction also froze the personal income tax rollback at 5.3%, despite voters approving a reduction in the rate from 5.95% to 5% on a separate ballot question in 2000.

"The people have spoken on this issue and the failure of the legislature to reinstate this deduction is just another example of a tone deaf Beacon Hill," said Representative Smola. "The support for this deduction had a favorability of more than 67% at the ballot box. It's pretty clear that the voters believe in it and they endorse it. It makes no sense for the legislature to continue to block its implementation when our revenue projections are far above expectations."

The deduction will offer savings to taxpayers while also helping nonprofits and other charitable organizations that have been hard-hit by the pandemic better meet the increased demand for their services. A recent survey conducted by Philanthropy Massachusetts and the Massachusetts Nonprofit Network found that more than 60% of nonprofits reported revenue loss during the pandemic, with an average revenue loss of 34% over the previous year. According to the survey, the greatest reported unmet need of the populations served by nonprofits is mental health (48%), followed by food (33%) and housing assistance (32%). For additional information please contact Representative Smola at Todd.Smola@mahouse.gov or (617)722-2100.

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