

September 29, 2015

Senator Michael J. Rodrigues
Joint Committee on Revenue
Room 213B
State House
Boston, MA 02133

Representative Jay R. Kaufman
Joint Committee on Revenue
Room 34
State House
Boston, MA 02133



Re: Senate Bill 1602, An Act relative to boat registration.

Dear Chairmen Rodrigues and Kaufman and Committee Members

On behalf of the members of the Massachusetts Marine Trades Association (MMTA), I write to you regarding Senate Bill 1602, An Act relative to boat registration. MMTA supports this bill's proposed excise tax exemptions, particularly for vessels under construction. MMTA also urges the Committee and Senator Tarr, the bill's sponsor, to additionally include in eligible exemptions those vessels in the Commonwealth for substantial repairs and refitting.

Because of tax advantages offered by other states, including several New England states, the exodus of boat building firms from the Commonwealth is very real. There are far too many examples of iconic Massachusetts boat builders leaving the state and taking with them their skilled employees and job opportunities. In order to allow Massachusetts marine businesses and boat builders to compete on a level playing field and ensure that the recreational boating industry remains a cornerstone of the Commonwealth's economy, opportunities for business growth such as this bill must be adopted, particularly where MMTA's proposed language would encourage boaters to take advantage of the services of the highly regarded and skilled boat builders of Massachusetts.

This bill could represent a revenue generating opportunity for the Commonwealth as well as an opportunity to foster well paying, desirable jobs in manufacturing. These are the types of high-tech manufacturing jobs the Commonwealth needs to stay competitive in any number of industries. To be clear, the benefits of reducing excise tax does not flow to the boat owner or purchaser as much as to those employed in the marine trades. The boat builders and repairers see the positive returns from eliminating or reducing these taxes because when boaters choose to spend money in Massachusetts, it directly translates into additional, good paying jobs.

On behalf of the entire membership of the Massachusetts Marine Trades Association, I thank you for your time and consideration of our **support of Senate Bill 1602** and hope you will consider MMTA's proposed amendment to this bill. The Massachusetts marine trades are threatened everyday by the competitive pressures of being geographically situated between tax free, boating friendly states to both the North and South. Enacting this bill would be a welcomed approach to leveling the playing field such that Massachusetts can regain its share of sales, job expansion and economic activity from boat building and the marine trades.

Established in 1964, the Massachusetts Marine Trades Association is the statewide, representative body for over 1,200 marine trades businesses in the Commonwealth, including boat builders, retailers and repairers. Our businesses employ over 16,000 men and women and generate \$2.08 Billion in annual economic activity for Massachusetts. The mission of the Association is to further the interests of the marine trades and the boating public through the promotion of boating, participation in legislation and professional improvement programs.

The recreational marine industry contributes positively and significantly to the economic strength and quality of life enjoyed in Massachusetts. The 'business of boating' provides jobs, economic opportunity, and public access to our precious waterways, improves aesthetics of inland and coastal waters and supports environmental stewardship while promoting a family-friendly form of recreation and tourism. With 186,000 state and federally registered vessels and 1 million anglers in the Commonwealth and over 5 million residents living within 10 miles of the ocean, any negative impact on the stability of the marine trades (economic, regulatory or others) has the potential to negatively affect millions of citizens and visitors.

The Association and its 300 member firms also seek to stem the exodus of recreational boating businesses from the Commonwealth and the loss of waters-edge usage for recreational boating purposes. The Association acts as a source of information about recreational boating and boating businesses for the general public, via its website at www.BoatMA.com; for the Massachusetts Legislature, where the Association is a frequent participant in public hearings and in the 60+ member Legislative Boating Caucus; and for executive branch agencies, the Massachusetts Federal delegation and authorities with regulatory and economic development responsibilities.

Please do not hesitate to call on us should the committee wish to request additional information on the boat building industry in the Commonwealth. MMTA is always available to discuss any of these bills, please contact either Tim Moll, President of MMTA or Jamy Buchanan Madeja, MMTA's Legal and Government Relations Counsel at 612-227-8410 or jmadeja@buchananassociates.com.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Toby Burr". The signature is written in a cursive, slightly slanted style.

Toby Burr
President, Massachusetts Marine Trades Association

Cc: Senator Bruce Tarr