

S.1399 An Act relative to the Excise on the use of Commercial Parking Facilities

Paul D. Craney
Executive Director
Massachusetts Fiscal Alliance

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Chairmen Rodrigues (Senate,) Kaufman (House,) and Members of the Committee, my name is Paul Craney and I am the Executive Director of the Massachusetts Fiscal Alliance. Massachusetts Fiscal Alliance is a right of center economic, fiscal and good government nonprofit organization. Today I am here to speak on behalf of my organization, our members, supporters, volunteers and activists. I am pleased to join you to discuss issues related to the proposed parking tax.

The proposed tax is, simply put, a commuter tax, and will give businesses less incentive to stay in Massachusetts. According to last year's CNBC ranking, Massachusetts ranked 49th in the country for cost of doing business category. Massachusetts only ranked better than Hawaii and as we all know, Hawaii faces several obvious obstacles. This tax would contribute to repelling current and new businesses from remaining and starting-up in Massachusetts, providing much-needed jobs for the residents, and financial support for our state economy.

In turn, this tax will hit working families the hardest. As many of you know, we are still in a fragile state in the economy. Taking money away from hard working taxpayers through any means at this time is not wise or recommended. Massachusetts Fiscal Alliance believes our state leaders need to do more with less. Our state does not need more revenue, it needs reform.

According to the National Park Association's latest available annual review of parking rates, **Boston currently has the highest parking rates in North America.**¹ Boston's current cap on the number of private lots it can have, pushed by the 1973 Clean Air Act contributes to artificially driving up prices for parking. This proposed tax would only put us further out of touch with the rest of the continent, and in turn, with the residents of this state.

To address the hopes that this tax will deter commuters from driving, and therefore reduce traffic, a second look must be taken. Studies from around the country have shown that as much as 34 percent of all traffic in downtown areas involves drivers just looking for parking spaces. Specifically in Boston, there is a large price gap between metered street parking and private lots; this new tax on private lots would only broaden that gap. This proposed tax would increase the incentive to look for metered parking, only adding to the congestion problems in the city.

I encourage members of the Joint Committee on Revenue to not support this commuter tax on hard working taxpayers. Massachusetts already ranks as the 2nd most expensive state to operate a business and has the highest parking rates in North America. This tax proposal will only hurt our reputation and economy, thank you. I am happy to answer any questions you may have.

¹ NPA, page 4 <http://www.npapark.org/pdfs/NPA-FourthAnnualRateStudy-ExecutiveSummaryReport.pdf>