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**DEVAL L. PATRICK**  
GOVERNOR

HD 4387  
7-11-14  
11:20am

ATTACHMENT F

July 11, 2014

To the Honorable Senate and House of Representatives:

Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution, I am returning to you for amendment Section 206 of House Bill No. 4001, "An Act Making Appropriations for the Fiscal Year 2015 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements."

Section 206 establishes a study commission chaired by the Commissioner of Revenue to make policy recommendations about a possible tax credit for medical device manufacturers, and to report by December 31, 2014. Although I welcome a study of this subject, I am concerned that the Commissioner of Revenue, whose responsibilities and expertise center on tax administration and enforcement, is not the appropriate officer to undertake this policy-related role. I also wish to ensure that the commission has adequate time to perform this important study. Therefore, I propose substituting the Secretaries of Administration and Finance and of Housing and Economic Development (or their designees) as co-chairs and extending the reporting date until June 30, 2015.

For these reasons, I recommend that Section 206 be amended by striking out the text and inserting in place thereof the following text:-

SECTION 206. (a) There shall be a commission to study the feasibility of establishing a tax credit for medical device manufacturing companies that are adversely affected by increases in the excise tax on medical device manufacturers pursuant to 26 U.S.C. section 4191, added by section 1405 of the Health Care and Education Reconciliation Act, Public Law 111-152. In studying the feasibility of such a credit, the commission shall examine factors including, but not limited to: (i) the potential cost to the commonwealth; (ii) the potential benefit derived by affected businesses; and (iii) the economic impact on the commonwealth of instituting such a credit.

(b) The commission shall be comprised of the following members: the secretaries of administration and finance and of housing and economic development, or their designees, who shall serve as co-chairs; the house and senate chairs of the joint committee on revenue; the house and senate chairs of the joint committee on economic development and emerging technologies; 1 member of the senate to be appointed by the minority leader; 1 member of the house of representatives to be appointed by the minority leader; 1 representative of the Massachusetts Medical Society; 1 representative of the Massachusetts Medical Device Industry Council, Inc.; 1 representative of the Associated Industries of Massachusetts, Inc.; and 1 representative of the Donahue Institute at the University of Massachusetts.

(c) The commission shall file a report detailing its work, findings and the feasibility of such a credit, including any legislative recommendations, with the clerks of the house of representatives and the senate not later than June 30, 2015.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David F. Tate", with a large, sweeping flourish above the name.