

SUMMARY OF NO. 26-17

This proposed law would reduce the state sales and use taxes from 6.25% (as of September, 2026) to 5.0%. It would make the same reduction in the rate used to determine the amount of money out-of-state building contractors must deposit with the state Commissioner of Revenue as security for the payment of sales and use tax on goods used in carrying out their contracts.

If this reduction in rates causes a public entity funded by the tax, such as the MBTA or the School Building Authority, to be unable to make a debt payment, the proposed law would require the state treasurer to make the payment on its behalf. The state's liability would be limited to the amount attributable to the reduction in the rates, and the public entity would be required to repay the state within five years.

The proposed law states that, if any of its parts were declared invalid, the other parts would stay in effect.