

MICHELLE WU *for* BOSTON

CITY COUNCILOR AT-LARGE

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Councilor Wu Files Ordinance to Increase Transparency of Corporate Tax Breaks in Boston

City currently does not have requirements to disclose whether commitments were fulfilled.

BOSTON – On Monday, February 11, Boston City Councilor At-Large Michelle Wu filed an ordinance to increase corporate tax break transparency in the City of Boston. The ordinance ensures that the city and its residents benefit from agreements with private corporations through minimum job creation and quality requirements and penalties for companies who do not meet these goals. It also increases public access to information regarding corporate tax breaks granted by the city as an accountability measure.

The legislation requires public reporting of tax subsidies granted, as well as annual, company-specific reporting on job creation, wages and benefits paid, and capital invested, among other public benefits.

Companies that receive tax breaks from the city are required to create jobs that meet certain criteria, including wage standards, availability of health insurance, and number of full-time positions.

If a company that receives economic development subsidies fails to create new jobs or maintain its current employment level, taxpayers are provided with a clawback guarantee. The city is granted the authority to recapture all or a portion of the subsidy from corporations that do not fulfill the requirements needed to obtain the subsidy.

“As cities across the country are engaging in conversations about whether big tax break packages are worth it for taxpayers and community members, we need to make sure there is a baseline of transparency for Boston to understand whether companies that have received tax breaks are following through with commitments promised,” said Councilor Wu. “Not only should the

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public be able to track all commitments and tax breaks, but companies should have to disclose details to understand the types of jobs created and who fills those positions.”

The Commonwealth of Massachusetts received the lowest score from the Pew Foundation in 2017 for its evaluation of tax breaks, and Boston’s current Tax Increment Financing Program received a score of zero in transparency from Good Jobs First.

The ordinance will be assigned to the City Council’s Committee on Government Operations at this Wednesday’s City Council meeting for further action.

To learn more about Councilor At-Large Michelle Wu visit <http://michelleforboston.com> or connect with her on [Facebook](#), [Twitter](#), or [Instagram](#).