



Dear Governor Baker:

As you know, our recently ratified Collective Bargaining Agreements with the Commonwealth contain a so-called “trigger”. The trigger provides that employees will receive an additional one per cent raise in the event that total tax revenues for FY 2018 meet or exceed the original FY 2018 revenue forecast of \$27.072B.

We have been following reports of month by month collections. Absent an extraordinary collapse of revenues, it appears that the “trigger” will be either be met or less likely, will be missed by an extremely small margin.

It is against this backdrop that we have begun receiving reports from our members at the Department of Revenue of unusual delays in the collection of taxes. Within the past few months the DOR appears to have stopped processing levies. It also appears that billing of taxpayers on several types of taxes has either been slowed or halted. In addition, the inclusion of an incorrect return address on a substantial number of bills to taxpayers has resulted in the submitted payments being returned to taxpayers.

While our information is currently anecdotal, with the increased frequency and breadth of the reports we are receiving, it has begun to take on a systemic character. If collections were to fall short of the trigger by a relatively small margin, these delays and errors would become extraordinarily important and we would be obliged to do our due diligence to protect the interests of our members. What we bargained for was a fair shot at meeting an agreed upon benchmark, playing by the normal rules and collected in the normal way. What we most certainly did not agree to was a process where managements thumb was on the scale, whether intentionally or in error.

I am asking that you direct an inquiry by your staff on the question of whether unusual factors are affecting collections and if so, to what extent. I would ask that this be done quickly and that we be provided with a thorough response. The worst case scenario would be if your administration were to declare in early July that the collections had fallen short of the trigger by a small margin and that based on suspect numbers, the additional one per cent would not be paid.

I appreciate your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink that reads 'David J. Holway'.

David J. Holway
President