

HOUSE No. 230

The Commonwealth of Massachusetts

PRESENTED BY:

Richard M. Haggerty

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to encouraging the growth of small businesses.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Richard M. Haggerty</i>	<i>30th Middlesex</i>	<i>1/20/2023</i>

HOUSE No. 230

By Representative Haggerty of Woburn, a petition (accompanied by bill, House, No. 230) of Richard M. Haggerty relative to bona fide business entities. Community Development and Small Businesses.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 3547 OF 2019-2020.]

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Third General Court
(2023-2024)**

An Act relative to encouraging the growth of small businesses.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Section 1. The Massachusetts General Laws, as appearing in the 2020 Official Edition, is
2 hereby amended by inserting after Chapter 93K the following new chapter:

3 Chapter 93L, Bona Fide Business Entities

4 Section 1. A business entity that provides services under a written contract is not an
5 employee for the purposes of Title IX, Taxation, and Title XXI, Labor and Industries, provided
6 that the business entity is bona fide. A business entity will be deemed to be bona fide if it is
7 shown that:

8 (a) The business entity is registered as such with the Secretary of the Commonwealth and
9 is in good standing;

10 (b) The business entity includes the compensation it receives for the services it renders on
11 federal and applicable state tax schedules as income from an independent business or profession;

12 (c) The business entity reports the compensation paid to its employees, if any, to the
13 Internal Revenue Service and the Massachusetts Department of Revenue; and

14 (d) The business entity complies with federal and state tax, unemployment insurance,
15 workers' compensation insurance, and labor and employment law obligations with respect to its
16 employees.