HOUSE DOCKET, NO. 2525 FILED ON: 1/17/2013

HOUSE . . . . . No. 2621

The Commonwealth of Massachusetts

PRESENTED BY:

Bradley H. Jones, Jr.

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 passage of the accompanying:

An Act relative to stimulating the economy through job creation.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Bradley H. Jones, Jr.	*20th Middlesex*
George N. Peterson, Jr.	*9th Worcester*
Bradford Hill	*4th Essex*
Elizabeth A. Poirier	*14th Bristol*
Viriato Manuel deMacedo	*1st Plymouth*
Donald F. Humason, Jr.	*4th Hampden*
Sheila C. Harrington	*1st Middlesex*
Paul K. Frost	*7th Worcester*
Nicholas A. Boldyga	*3rd Hampden*
Kimberly N. Ferguson	*1st Worcester*
Steven S. Howitt	*4th Bristol*
Todd M. Smola	*1st Hampden*
Kevin J. Kuros	*8th Worcester*
Matthew A. Beaton	*11th Worcester*
Daniel B. Winslow	*9th Norfolk*
Ryan C. Fattman	*18th Worcester*

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HOUSE . . . . . No. 2621

By Mr. Jones of North Reading, a petition (accompanied by bill, House, No. 2621) of Bradley H. Jones, Jr. and others relative to stimulating the economy through job creation. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
HOUSE
, NO. *2530* OF 2011-2012.]

The Commonwealth of Massachusetts

An Act relative to stimulating the economy through job creation.

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

SECTION 1: Chapter 63 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by adding, after section 31N, the following new section:-

Section 31O: As used in this section, the following words shall, unless the context otherwise requires, have the following meanings:-

"Application year", the calendar year for which a qualifying small business submits the information required for a determination as to a job's incentive payment.

"Commissioner", the commissioner of revenue.

"Eligible jobs", a number determined by first multiplying each of the local jobs created by a small business during a single calendar year by the job qualifier for that job, and then totaling the number for all the local jobs created.

"Full time employee", a person who is employed for consideration for at least 35 hours per week and whose salary is subject to withholding as provided in chapter 62B.

"Job qualifier fraction", in the case of either a full-time employee or a part-time employee of a small business, the figure that determines the extent to which that employee is employed in the commonwealth during a single calendar year. The job qualifier fraction for each employer shall be determined by multiplying the following percentages together: (i) the percentage of time

17 that an employee worked while employed by the company, expressed as average hours worked
18 per week out of 35 hours, not to exceed 100 per cent; (ii) that employee's time attributable to
19 work in the commonwealth, as a portion of that employee's total work for the company; and (iii)
20 the portion of the year the employee worked for the company.

21 "Local jobs created", the total number of direct jobs created by a small business during a
22 single calendar year in which the new employees perform their duties in at least 1 in-state
23 location, including jobs performed by persons that are transferred within the company to work at
24 an in-state location from a location based outside the state.

25 "Part-time employee", a person who is employed for consideration for less than 35 hours
26 a week and whose salary is subject to withholding as provided in chapter 62B.

27 "Payment years", in the case of a small business that is determined to be eligible for a
28 jobs incentive payment, the 3 calendar years following the application year.

29 "Small business", a business that had total annual sales in its most recently completed
30 fiscal year of less than five million dollars, or has less than 100 employees, and has a principal
31 place of business in the commonwealth.

32 "Small business jobs incentive payment", a business employment incentive payment for
33 qualifying small businesses as provided for in this section.

34 "Weighted average employment", for a calendar year, the total number of jobs
35 maintained by a small business in which the employees performed employment services at least
36 1 in-state location. The number is to be determined by first multiplying each of the individual
37 jobs maintained by the company for that year by the job qualifier fraction for that job and then
38 totaling the number for all of these jobs.

39 (b) A small business that creates 5 or more eligible jobs in the commonwealth during a
40 single calendar year shall be entitled to a small business jobs incentive payment if its weighted
41 average employment for such year reflects a net increase of at least 5 jobs over the company's
42 weighted average employment for the previous calendar year. The jobs incentive payment shall
43 be equal to 25 per cent of the amount paid by the company as salary attributable to eligible jobs
44 created by the company in such year to the extent that the salary was subject to Massachusetts
45 withholding pursuant to chapter 62B for such year, multiple by the applicable Massachusetts
46 income tax rate for such salary. For the purposes of this provision, an eligible job shall be
47 deemed created in the commonwealth on the first day for which Massachusetts withholding is
48 required in connection with the compensation paid to the employee.

49 (c) The small business jobs incentive payment shall be paid to the small business in 3
50 equal installments in each of the three calendar years commencing with the calendar year
51 subsequent to the application year. If, for the first or second payment year, the company's

52 weighted average employment falls below its weighted average for the application year, the
53 company shall be disqualified from receiving its second installment payment. It may still receive
54 its third installment payment if its weighted average employment for its second payment year is
55 above its weighted average employment for its application year

56 (d) A small business that seeks a small business jobs incentive payment shall apply to the
57 commissioner to receive such payment on a form to be prescribed by the commissioner. This
58 form shall reference the necessary information concerning the eligible jobs created by the
59 company in the commonwealth during the application year and also the company's weighted
60 average employment for such year and the previous calendar year. The commissioner shall
61 advise the company of his determination in writing.

62 (e) Not later than March 1 of each calendar year for which a small business has been
63 approved to receive a small business jobs incentive payment, the company shall submit to the
64 commissioner, in a form prescribed by the commissioner, the information necessary to evaluate
65 the company's previous year weighted employment average.

66 (f) A small business that has previously been approved to receive a small business jobs
67 incentive payment is entitled to re-apply for an additional payment for a second or third
68 application year. In such cases, the company may be entitled to receive a small business jobs
69 incentive payment that relates to a different application in the same calendar year. When a
70 company had previously been granted a jobs incentive payment for 3 application years, it shall
71 not request an additional small business jobs incentive payment.

72 (g) The commissioner shall issue payments, as authorized in subsection (b), without
73 further appropriation. The commissioner may issue rules and regulations as necessary or helpful
74 to implement this section, including rules and regulations to ensure compliance with this section.

75 SECTION 2: This act shall be effective as to small business jobs incentive payment
76 requests made by small businesses for calendar years 2013 to 2017, inclusive.