

SENATE No. 1265

The Commonwealth of Massachusetts

PRESENTED BY:

James B. Eldridge

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 bill:

An Act Establishing Biannual Tax Incidence Reports.

PETITION OF:

NAME:

James B. Eldridge

DISTRICT/ADDRESS:

Middlesex and Worcester

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT ESTABLISHING BIENNIAL TAX INCIDENCE REPORTS.

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.** Chapter 14 of the General Laws is hereby amended by adding the
2 following section:-

3 Section 12. The commissioners of revenue shall report to the general court by March 1 of each
4 odd-numbered year on the overall incidence of the income tax, sales and excise taxes, and
5 property tax. The report shall present information on the distribution of the tax burden (1) for the
6 overall income distribution, using a system wide incidence measure such as the Suits index or
7 other appropriate measures of equality and inequality, (2) by income classes, including at a
8 minimum deciles of the income distribution , and (3) by other appropriate taxpayer
9 characteristics.

10 At the request of the chairs of the joint committee on taxation, the commissioner shall prepare an
11 incidence impact analysis of a bill or a proposal to change the tax system which increases,
12 decreases, or redistributes taxes by more than \$20,000,000. To the extent data is available on the
13 changes in the distribution of the tax burden that are affected by the bill or proposal, the analysis
14 shall report on the incidence effects that would result if the bill were enacted. The report may

15 present information using system wide measures, such as Suits or other similar indexes, by
16 income classes, taxpayer characteristics, or other relevant categories. The report may include
17 analyses of the effect of the bill or proposal on representative taxpayers. The analysis must
18 include a statement of the incidence assumptions that were used in computing the burdens.

19 The incident analysis shall use the broadest measure of economic income for which reliable data
20 is available.