

HOUSE No. 2790

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act Relative to Incentivizing High Wages for New Employees..

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: Section 31M of chapter 63, as appearing in the 2006 Official Edition, is
2 hereby amended by adding at the end thereof the following: -Section 631N: (a) For the purposes
3 of this section, the following words shall have the following meanings:-“Average wage”, the
4 mean salary for all full time employees in a qualifying small business for the previous two
5 calendar years.“Commissioner”, the commissioner of revenue.“Eligible job”, any new direct job
6 created by a qualifying small business that: (a) did not exist in the previous calendar year; (b)
7 pays a salary of at least 150 per cent of the average wage of the qualifying small business; and
8 (c) requires the duties of the new employee to be performed in at least 1 in-state location,
9 including jobs performed by persons that are transferred within the company to work at an in-
10 state location from a location based outside the commonwealth.“Full time employee”, a person
11 who is employed for at least 35 hours per week and whose salary is subject to withholding as
12 provided in chapter 62B.“High wage incentive payment”, a business employment incentive
13 payment for qualifying small businesses as provided for in this section.“Qualifying small
14 business”, a business that had total annual sales in its most recently completed fiscal year of less

15 than five million dollars, or has less than 100 employees, and has a principal place of business in
16 the commonwealth.(b) For each taxable year from January 1, 2009 to December 31, 2011, a
17 qualifying small business that creates a minimum of 1 and a maximum of 5 eligible jobs in the
18 commonwealth during a single calendar year shall be entitled to a high wage incentive payment
19 equal to a 6 per cent credit against its excise due under this chapter.(c) If a taxpayer is subject to
20 a minimum excise under this chapter, the amount of credit allowed shall not reduce the excise to
21 an amount less than the minimum excise.(d) A taxpayer entitled to a credit under this section for
22 any taxable year may not carry over its excise for any succeeding taxable year. A qualifying
23 small business that has previously been approved to receive a high wage incentive payment for
24 any particular eligible job shall not be eligible to receive said payment for more than one
25 calendar year. A qualifying small business may apply to receive a high wage incentive payment
26 that relates to a different application in the same calendar year or a different application in a
27 different calendar year.(e) A qualifying small business that seeks a high wage incentive payment
28 shall apply to the commissioner to receive such payment on a form to be prescribed by the
29 commissioner. This form shall reference the necessary information concerning the eligible jobs
30 created by the company in the commonwealth during the application year and also the
31 company's average wage for such year and the previous calendar year. The commissioner shall
32 advise the company of his determination in writing.