

**HOUSE . . . . . No. 4143**

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**The Commonwealth of Massachusetts**

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**In the Year Two Thousand Nine**  
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An Act providing analysis of tax credit programs..

*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 62C of the General Laws is hereby amended by striking out  
2 section 1, as appearing in the 2006 Official Edition, and inserting in place thereof the following  
3 section:-

4 Section 1. As used in the chapter, the following words shall, unless the context requires  
5 otherwise, have the following meanings:-

6 “Administering agency head”, the agency head responsible for administering the  
7 applicable state tax credit program.

8 “Average salary”, the total Massachusetts gross salary of a group of Massachusetts  
9 employees divided by the number of Massachusetts employees in the group.

10 “Building contractor”, any general contractor, subcontractor or repairman who is engaged  
11 in the business of constructing or improving real property.

12 “Code”, the Internal Revenue Code of the United States in effect on July 1, 1983.

13 “Commissioner”, the commissioner of revenue.

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

16 “Materialman”, a person primarily engaged in the retail sale of building material, tools  
17 and equipment to building contractors for the improvement of real property and authorized by  
18 law to file a mechanics lien upon real property for improvements related to the property. For the  
19 purposes of this definition, “primarily engaged” shall mean sales of 50 per cent or more of total  
20 sales to building contractors.

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

23 “Promoter”, a person who, either directly or indirectly, rents, leases or grants a license to  
24 use space to any person for the display for sale or for the sale of tangible personal property  
25 subject to tax under chapter 64H, at more than 3 shows during the calendar year, or who operates  
26 more than 3 shows during the calendar year. For purposes of determining whether 3 shows have  
27 been held, the conduct of an activity described in the definition of “Show” on 1 day alone or on a  
28 series of up to 7 consecutive days shall be deemed to constitute a single show.

29 “Show”, a flea market, craft show, antique show, coin show, stamp show, comic book  
30 show fair and any similar show, whether held regularly or of a temporary nature at which more  
31 than 1 vendor displays for sale or sells tangible personal property subject to tax.

32 “Tax”, any tax, excise, interest, penalty, or addition to tax imposed by this chapter or the  
33 statutes referred to in section 2.

34 “Tax credit program”, one of the following credits against the state income tax to  
35 stimulate economic development and other policy goals: the brownfields tax credit established  
36 by subsection (j) of section 6 of chapter 62 and section 38Q of chapter 63; the dairy farmer tax  
37 credit established by subsection (o) of section 6 of chapter 62 and section 38Z of chapter 63; the  
38 FDA user fees credit established by subsection (n) of section 6 of chapter 62 and section 31M of  
39 chapter 63; the film tax credit established by subsection (l) of section 6 of chapter 62 and  
40 subsection (b) of section 38X of chapter 63; the historic rehabilitation tax credit established by  
41 section 6J of chapter 62 and section 38R of chapter 63; the life sciences investment tax credit  
42 established by subsection (m) of section 6 of chapter 62 and section 38U of chapter 63; the low-  
43 income housing tax credit established by section 6I of chapter 62 and section 31H of chapter 63;  
44 the medical device tax credit established by section 6½ of chapter 62 and section 31L of chapter  
45 63; and the refundable research credit established by subsection (j) of section 38M of chapter 63.

46 SECTION 2. Said chapter 62C is hereby further amended by adding the following  
47 section:-

48 Section 88. (a) (1) Each administering agency head shall annually submit a report, no  
49 later than March 1, to the commissioner on each tax credit program authorized for the previous  
50 calendar year, hereinafter known as the report, which shall be a public record made available on  
51 a government internet website for public disclosure.

52 (2) The report shall contain the following information:

53 (i) the number of taxpayers authorized by the administering agency head to receive a tax  
54 credit;

55 (ii) the type and amount of the tax credit awarded to each industry;

56 (iii) the date that the tax credit was awarded; and

57 (iv) an aggregate summary of the employment data, by industry, provided by each  
58 taxpayer pursuant to subsection b.

59 (3) The report shall include, for the previous calendar year, an analysis of the benefits  
60 received by the commonwealth relevant to the specific goals of the tax credit program, the  
61 impact of the tax credit program on preserving, promoting and growing employment in the  
62 relevant industry in the commonwealth and any other benefits received as a result of the tax  
63 credit program.

64 (4) The report shall include the following information relevant to the specific tax credit  
65 programs:

66 (i) for the brownfields tax credit, an analysis of the impact of the brownfields tax credit  
67 program on the cleanup and development of contaminated properties;

68 (ii) for the dairy farmer tax credit, an analysis of the impact of the dairy farmer tax  
69 credit on preserving dairy farms and dairy farm employment including, but not limited to, an  
70 analysis of the dairy product output and the number and size in acreage of dairy farms receiving  
71 a dairy farm credit;

72 (iii) for the U.S.F.D.A. user fees credit, life sciences investment tax credit and the  
73 refundable research credit, an analysis of the impact of the program on preserving and increasing  
74 economic development and infrastructure for the calendar year;

75 (iv) for the film tax credit, an analysis of the impact of the film tax credit program on  
76 preserving or increasing film industry jobs and other benefits of the program;

77 (v) for the historic rehabilitation tax credit, an analysis of the impact of the program on  
78 preserving historic structures and other benefits of the program including, but not limited to, the  
79 employment created for the calendar year;

80 (vi) for the low-income housing tax credit, an analysis of the impact of the program on  
81 preserving or increasing low-income housing and other benefits of the program including, but  
82 not limited to, the number of low-income housing units placed in service for the calendar year;  
83 and

84 (vii) for the medical device tax credit, an analysis of the impact of the medical device  
85 tax credit program on preserving or increasing medical device industry jobs and other benefits of  
86 the program.

87 (b) Each taxpayer receiving a tax credit from a tax credit program shall annually report,  
88 no later than February 15, a statement of jobs to the administering agency head which shall  
89 contain the following information:

90 (i) the number of full-time employees working for the taxpayer on the date the  
91 administering agency head authorized the tax credit, the number of full-time employees working  
92 for the taxpayer on December 31 of each calendar year that the tax credit is applied and the  
93 average salary of such employees;

94 (ii) the number of part-time employees working less than 35 hours but more than 20  
95 hours per week for the taxpayer on the date the administering agency head authorized the tax  
96 credit, the number of such employees working for the taxpayer on December 31 of each calendar  
97 year that the tax credit is applied and the average salary of such employees;

98           (iii) the number of part-time employees working 20 hours per week or less for the  
99 taxpayer on the date the administering agency head authorized the tax credit, the number of such  
100 employees working for the taxpayer on December 31 of each calendar year that the tax credit is  
101 applied and the average salary of such employees; and

102           (iv) any other information required by the administering agency head to assist the  
103 agency head in assessing the economic and employment impact of the tax credit program on the  
104 commonwealth and in the relevant industry and otherwise in meeting the goals of the relevant  
105 tax credit program.

106           SECTION 3. This act shall take effect as of July 1, 2009.