

**SENATE . . . . . No. 1294**

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**The Commonwealth of Massachusetts**

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**In the Year Two Thousand Nine**  
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An Act to establish a sales tax retention allowance..

*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 5 of chapter 64H of the General Laws, as appearing in the 2002  
2 Official Edition, is hereby amended by adding at the end thereof the following: - All vendors that  
3 collect sales tax shall be entitled to retain an amount equal to two per centum of the total amount  
4 of sales tax collected in any one calendar year. The total amount so retained in any calendar year  
5 by any one vendor, when combined with use taxes retained as provided in section 6 of chapter  
6 64I, shall not exceed two thousand dollars. The vendor shall retain these amounts by deducting  
7 not more than two per centum of the sales tax collected during the standard reporting period.  
8 Upon reaching the annual maximum retention amount, the vendor shall not be entitled to deduct  
9 any further amount from collected sales taxes until the beginning of the next calendar year.

10           SECTION 2. Section 6 of chapter 64I of the General Laws, as appearing in the  
11 2002 Official Edition, is hereby amended by adding at the end thereof the following: -

12           All vendors that collect use tax shall be entitled to retain an amount equal to two per  
13 centum of the total amount of use tax collected in any one calendar year. The total amount so  
14 retained in any calendar year by any one vendor, when combined with sales taxes retained as

15 provided in Section 5 of chapter 64H, shall not exceed two thousand dollars. The vendor shall  
16 not be entitled to deduct any further amounts from collected use taxes until the beginning of the  
17 next calendar year.

18 SECTION 3. The act shall take effect on January one, two thousand and eight.