HOUSE DOCKET, NO. 2928 FILED ON: 1/18/2013

HOUSE . . . . . No. 2509

The Commonwealth of Massachusetts

PRESENTED BY:

John J. Binienda

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 adoption of the accompanying bill:

An Act regarding economic development to enable state residents to attract out-of-state businesses through financial incentives.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
John J. Binienda	*17th Worcester*	*1/18/2013*

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HOUSE . . . . . No. 2509

By Mr. Binienda of Worcester, a petition (accompanied by bill, House, No. 2509) of John J. Binienda that the Department of Revenue be directed to prepare a feasibility study to create a tax incentive program for new business growth. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. *3199* OF 2011-2012.]

The Commonwealth of Massachusetts

In the Year Two Thousand Thirteen

An Act regarding economic development to enable state residents to attract out-of-state businesses through financial incentives.

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. Notwithstanding any rule, law or regulation to the contrary, the department of revenue is herby authorized and directed to prepare a feasibility study, together with a draft of legislation amending chapters 62, 63 and any other general laws that may be necessary to create a tax incentive program to create new business growth. This tax incentive program shall be in accordance but not limited to the ideas listed below:

This essence of this program is to rewards residents of Massachusetts who successfully attract new business to the state. Citizens or business who successfully attract new business shall receive, a tax credit, that will offset any current or future tax liability.

Tax Credits will enable residents of Massachusetts to help attract companies and jobs to Massachusetts, rewarding residents financially for their efforts. When a new business is either established in, or relocated to Massachusetts, a percentage of the newly generated tax revenue would be credited to the Massachusetts taxpayer responsible for attracting the new business. This aggregated new tax revenue would be used to calculate the financial benefit to the resident who was the catalyst in attracting the business.

The compensation benefit model would disburse 20% of the aggregated new tax revenue to the resident in the first year, 10% the second year, and 5% the third year. This disbursement would be applied directly against their state and/or local tax liabilities. If the compensation exceeds total state and/or local tax liabilities for each of the years that are accrued, then the excess compensation proceeds would be applied against future state and/or local tax liabilities until excess compensation is exhausted.

No actual proceeds would be disbursed to the resident. However, the resident may end up receiving refund checks for any state and/or local taxes that may have been deducted from employment income earned, or any other relevant ‘escrowed’ taxes deducted during those calendar years.

Tax data from new businesses would be kept confidential using custodial or escrow protection granted to the Commonwealth or municipality legislators and their administrative or executive associates. This approach invokes the same shield used by the Commonwealth or municipality legislators when they go into executive session.

The department shall file its report, together with any recommendations for legislation, with the Joint Committee on Revenue no later than December 1, 2011.