

**SENATE . . . . . No. 1313**

The Commonwealth of Massachusetts

PRESENTED BY:

*Sonia Chang-Diaz*

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 to invest in our communities..

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Sonia Chang-Diaz</i>	<i>Second Suffolk</i>
<i>Thomas P. Kennedy</i>	<i>Second Plymouth and Bristol</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>
<i>Michael J. Barrett</i>	<i>Third Middlesex</i>
<i>Daniel A. Wolf</i>	<i>Cape and Islands</i>
<i>Kenneth J. Donnelly</i>	<i>Fourth Middlesex</i>
<i>James T. Welch</i>	<i>Hampden</i>
<i>Gale D. Candaras</i>	<i>First Hampden and Hampshire</i>
<i>Patricia D. Jehlen</i>	<i>Second Middlesex</i>
<i>James J. O'Day</i>	<i>14th Worcester</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>
<i>Kay Khan</i>	<i>11th Middlesex</i>
<i>Mary S. Keefe</i>	<i>15th Worcester</i>
<i>Timothy J. Toomey, Jr.</i>	<i>26th Middlesex</i>
<i>John J. Lawn, Jr.</i>	<i>10th Middlesex</i>
<i>Marcos A. Devers</i>	<i>16th Essex</i>
<i>Denise Andrews</i>	<i>2nd Franklin</i>
<i>David M. Rogers</i>	<i>24th Middlesex</i>

*Michael D. Brady*

*9th Plymouth*

*Thomas P. Conroy*

*13th Middlesex*

*Benjamin Swan*

*11th Hampden*

**SENATE . . . . . No. 1313**

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By Ms. Chang-Diaz, a petition (accompanied by bill, Senate, No. 1313) of Sonia Chang-Diaz, Thomas P. Kennedy, James B. Eldridge, Michael Barrett and other members of the General Court for legislation to invest in our communities and tax exemptions. Revenue.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE SENATE, NO. 1416 OF 2011-2012.]

**The Commonwealth of Massachusetts**

—————  
**In the Year Two Thousand Thirteen**  
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An Act to invest in our communities..

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 Chapter 62 of the General Laws is hereby amended as follows:

2 SECTION 1. Section 3 of chapter 62 of the General Laws, as appearing in the 2010  
3 Official Edition, is hereby amended by striking out subsection B(b)(1)(A) and inserting in place  
4 thereof the following:--

5 A personal exemption of \$7,900 for tax years beginning on or after January 1, 2014.

6 Section 3 of chapter 62 of the General Laws, as appearing in the 2010 Official Edition, is  
7 hereby further amended by striking out subsection B(b)(1A)(A) and inserting in place thereof the  
8 following:--

9 A personal exemption of \$10,300 for tax years beginning on or after January 1, 2014.

10 Section 3 of chapter 62 of the General Laws, as appearing in the 2010 Official Edition, is  
11 hereby further amended by striking out subsection B(b)(2)(A) and inserting in place thereof the  
12 following:--

13 A personal exemption of \$15,800 for tax years beginning on or after January 1, 2014.

14 Section 3 of chapter 62 of the General Laws, as appearing in the 2010 Official Edition, is  
15 hereby further amended by adding a subsection D to read in its entirety as follows—

16 In determining the Part A and Part C taxable income of persons who are 65 or older, or  
17 who are disabled, an exemption shall be allowed upon the sum of the Part A and Part C adjusted  
18 gross income of such persons in an amount equal to the lesser of \$2500 and one third of the sum  
19 of such Part A and Part C income for a single person, or a married person filing a separate return,  
20 whose total federal adjusted gross income is less than \$40,000, and in an amount equal to the  
21 lesser of \$5000 and one third of the sum of the Part A and Part C income for a married couple  
22 filing a joint return whose total federal adjusted gross income is less than \$80,000, provided,  
23 however, that if only one spouse is 65 or older or is disabled, the exemption shall not exceed  
24 \$2,500.

25 SECTION 2. Section 4 of chapter 62 of the General Laws, as appearing in the 2010  
26 Official Edition, is hereby amended by striking out subsection (a)(1) and inserting in place  
27 thereof the following:--

28 Part A taxable income consisting of capital gains shall be taxed at the rate of 8.95 per  
29 cent for tax years beginning on or after January 1, 2014.

30 Section 4 of chapter 62 of the General Laws, as appearing in the 2010 Official Edition, is  
31 hereby further amended by striking out subsection (a)(2) and inserting in place thereof the  
32 following:--

33 Part A taxable income consisting of interest and dividends shall be taxed at the rate of  
34 8.95 per cent for tax years beginning on or after January 1, 2014.

35 Section 4 of chapter 62 of the General Laws, as appearing in the 2010 Official Edition, is  
36 hereby further amended by striking out subsection (b) and inserting in place thereof the  
37 following:--

38 Part B taxable income shall be taxed at the rate of 5.95 per cent for tax years beginning  
39 on or after January 1, 2014.

40 Section 4 of chapter 62 of the General Laws, as appearing in the 2010 Official Edition as  
41 amended by 2010, 240, Sec. 111, is hereby further amended by striking out subsection (c) and  
42 inserting in place thereof the following:--

43 Part C taxable income shall be taxed at the rate of 8.95 percent for tax years beginning on  
44 or after January 1, 2014, excepting Part C taxable income derived from the sale of investments  
45 which: (1) are in a corporation which is domiciled in the commonwealth with a date of  
46 incorporation on or after January 1, 2011 which has less than \$50 million in assets at the time of  
47 investment and complies with subsections (e)(1), (e)(2), (e)(5), and (e)(6) of Section 1202 of the  
48 Internal Revenue Service Code; and (2) are held for 3 years or more, which shall be taxed at a

49 rate of 3 per cent; provided, however, that in order to qualify for the 3 per cent rate, such  
50 investments shall be made within 5 years of the date of incorporation and, to the extent  
51 consistent with the provisions of this subsection, shall be in stock in a corporation that satisfies  
52 the requirements for treatment as “qualified small business stock” under section 1202 ( c) of the  
53 federal Internal Revenue Code, without regard to the requirement that the corporation be a C  
54 corporation.