

**SENATE . . . . . No. 1378**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***Richard T. Moore***

*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 establishing a health care electronic prescribing tax credit.

PETITION OF:

NAME:

*Richard T. Moore*

DISTRICT/ADDRESS:

*Worcester and Norfolk*

**SENATE . . . . . No. 1378**

By Mr. Richard T. Moore, a petition (accompanied by bill, Senate, No. 1378) of Richard T. Moore for legislation to establish a health care electronic prescribing tax credit. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE SENATE, NO. 1487 OF 2011-2012.]

**The Commonwealth of Massachusetts**

**In the Year Two Thousand Thirteen**

An Act establishing a health care electronic prescribing tax credit.

*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 63 of the General Laws, as appearing in the 2010 Official Edition,  
2 is hereby amended by inserting the following section at the end thereof:--

3 Section 38DD. Tax Credit for Corporations Who Adopt Electronic Prescribing  
4 Capability

5 (a) In determining the net income subject to tax under this chapter, a business  
6 corporation may deduct, in addition to any other allowable deduction under this chapter, the  
7 expenditures paid or incurred during the taxable year with respect to the installation of any  
8 technology and infrastructure necessary to adopt and utilize electronic prescribing capabilities  
9 thereby including the cost of labor attendant to the installation thereof; provided, however, that  
10 such electronic prescribing system has a situs in the commonwealth, is used exclusively in the  
11 trade or business of such corporation and the physicians within said corporation are duly licensed  
12 pursuant to section 2 of chapter 112 of the General Laws.

13 (b) Such deduction shall be allowed only--

14 (1) on condition that the net income for the taxable year and all succeeding taxable years  
15 be computed without any exemption, credit or deduction for such expenditures or for  
16 depreciation of the property other than the deductions allowed by this section, and

17 (2) with respect to the installation of any technology and infrastructure necessary to adopt  
18 and utilize electronic prescribing capabilities and such capabilities have already been in use by  
19 the duly licensed physicians within said corporation within the taxable year.

20 (c) If expenditures with respect to any technology and infrastructure necessary to adopt  
21 and utilize electronic prescribing capabilities thereby including the cost of labor attendant to the  
22 installation thereof have been deducted as provided herein and if within ten years from the end of  
23 the taxable year in which such deduction was allowed such unit or system or any part thereof is  
24 used other than exclusively in the corporation's trade or business, the corporation shall report  
25 such change of use in its return for the first taxable year during which it occurs, and the  
26 commissioner may recompute the tax for the year or years for which such deduction was allowed  
27 and may assess any additional tax resulting from such recomputation within the period of  
28 assessment applicable to such return.

29 (d) In any taxable year when property is sold or otherwise disposed of, with respect to  
30 which a deduction has been allowed pursuant to this section, such deduction shall be disregarded  
31 in computing gain or loss, and the gain or loss on the sale or other disposition of such property  
32 shall be the gain or loss resulting if the deduction provided by this section had not been elected  
33 and the cost or other basis of the technology and infrastructure necessary to adopt and utilize  
34 electronic prescribing capabilities had been reduced by straight-line depreciation based on the  
35 useful life of such unit or system; provided, however, that if such sale or other disposition of  
36 such unit or system occurs within three years of the date such unit or system is placed in service  
37 the basis shall be zero.

38 (e) Any technology and infrastructure necessary to adopt and utilize electronic  
39 prescribing capabilities thereby which qualifies for the deduction provided for by this section  
40 shall not be subject to taxation under the tangible property measure of the excise imposed by  
41 subclause (i) of clause (1) of subparagraph (a) of the fourth paragraph of section 39 of this  
42 chapter.