

**HOUSE . . . . . No. 2570**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***Jay R. Kaufman***

*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 relative to the tax expenditure budget.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Jay R. Kaufman</i>	<i>15th Middlesex</i>
<i>Josh S. Cutler</i>	<i>6th Plymouth</i>
<i>Michael J. Barrett</i>	<i>Third Middlesex</i>
<i>Jennifer E. Benson</i>	<i>37th Middlesex</i>
<i>Angelo M. Scaccia</i>	<i>14th Suffolk</i>
<i>Geoff Diehl</i>	<i>7th Plymouth</i>
<i>Peter V. Kocot</i>	<i>1st Hampshire</i>

**HOUSE . . . . . No. 2570**

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By Mr. Kaufman of Lexington, a petition (accompanied by bill, House, No. 2570) of Jay R. Kaufman and others for the establishment of a standing commission (including members of the General Court) to review and evaluate all tax expenditures. Revenue.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE HOUSE, NO. 2630 OF 2013-2014.]

**The Commonwealth of Massachusetts**

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**In the One Hundred and Eighty-Ninth General Court  
(2015-2016)**  
\_\_\_\_\_

An Act relative to the tax expenditure budget.

*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: The tax expenditure commission, established in chapter 68 of the acts of  
2           2011, shall meet on or before June 30, 2017.

3           SECTION 2: Chapter 62 of the General Laws is hereby amended by inserting a new  
4           section after Section 64 with the following:

5           (a)    Tax expenditures, as defined by Section 1 of Chapter 29 of the General Laws,  
6           created by this chapter on or after January 1, 2011, shall include the following criteria upon  
7           passage:

8           (1)     Stated public policy objective for said tax expenditure including, but not limited  
9 to, the intended impact of the expenditure with estimates of both the cost and benefit to the  
10 Commonwealth

11           (2)     Metrics the tax expenditure shall meet by the date referenced in paragraph (3) of  
12 this section

13           (3)     Date by which the legislature shall review the tax expenditure to determine its  
14 effectiveness and its cost and benefit to the Commonwealth

15           (4)     An evaluation that considers whether or not a sunset or clawback provision should  
16 be applied

17           (b) Any future expenditure must be matched by the repeal of one or more existing  
18 expenditures under Chapter 62 that constitutes a cost to the Commonwealth as determined by the  
19 annual tax expenditure estimates required by Section 5B of Chapter 29 of the General Laws that  
20 is equal to or exceeds the newly created tax expenditure. For any unmatched elimination or  
21 reduction of expenditure under Chapter 62, the legislature shall consider a corresponding  
22 reduction in the rate, as defined by subsection (b) of Section 4 of Chapter 62.

23           SECTION 3: Chapter 63 of the General Laws is hereby amended by inserting a new  
24 section after Section 81 with the following:

25           (a) Tax expenditures, as defined by Section 1 of Chapter 29 of the General Laws, created  
26 by this chapter on or after January 1, 2011, shall include the following criteria upon passage:

27           (1)     Stated public policy objective for said tax expenditure including, but not limited  
28 to, the intended impact of the expenditure with estimates of both the cost and benefit to the  
29 Commonwealth

30           (2)     Metrics the tax expenditure shall meet by the date referenced in paragraph (3) of  
31 this section

32           (3)     Date by which the legislature shall review the tax expenditure to determine its  
33 effectiveness and its cost and benefit to the Commonwealth

34           (4)     An evaluation that considers whether or not a sunset or clawback provision should  
35 be applied

36           (b)     Any future expenditure must be matched by the repeal of one or more existing  
37 expenditures under Chapter 63 that constitutes a cost to the Commonwealth as determined by the  
38 annual tax expenditure estimates required by Section 5B of Chapter 29 of the General Laws that  
39 is equal to or exceeds the newly created tax expenditure. For any unmatched elimination or  
40 reduction of an expenditure under Chapter 63, the legislature shall consider a corresponding  
41 reduction in the rate, as defined by subsection (b) of Section 2 of Chapter 63.

42           SECTION 4: Chapter 64H of the General Laws is hereby amended by inserting a new  
43 section after Section 33 with the following:

44           (a)     Tax expenditures, as defined by Section 1 of Chapter 29 of the General Laws,  
45 created by this chapter on or after January 1, 2011, shall include the following criteria upon  
46 passage:

47           (1)     Stated public policy objective for said tax expenditure including, but not limited  
48 to, the intended impact of the expenditure with estimates of both the cost and benefit to the  
49 Commonwealth

50           (2)     Metrics the tax expenditure shall meet by the date referenced in paragraph (3) of  
51 this section

52           (3)     Date by which the legislature shall review the tax expenditure to determine its  
53 effectiveness and its cost and benefit to the Commonwealth

54           (4)     An evaluation that considers whether or not a sunset or clawback provision should  
55 be applied

56           (b)     Any future expenditure must be matched by the repeal of one or more existing  
57 expenditures under Chapter 64H that constitutes a cost to the Commonwealth as determined by  
58 the annual tax expenditure estimates required by Section 5B of Chapter 29 of the General Laws  
59 that is equal to or exceeds the newly created tax expenditure. For any unmatched elimination or  
60 reduction of an expenditure under Chapter 64H, the legislature shall consider a corresponding  
61 reduction in the rate, as defined by Section 2 of Chapter 64H.

62           SECTION 5: Subsection (b)(4) of Section 14C of Chapter 7 of the General Laws is  
63 hereby amended by adding the following “(v) information required by Section 5B of Chapter 29  
64 of the General Laws;”

65           SECTION 6: The sections of this bill shall take effect on January 1, 2016