SENATE DOCKET, NO. 396 FILED ON: 1/14/2015

SENATE . . . . . No. 1452

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:
Sonia Chang-Diaz	*Second Suffolk*
Daniel A. Wolf	*Cape and Islands*
Benjamin Swan	*11th Hampden*
David M. Rogers	*24th Middlesex*
Mary S. Keefe	*15th Worcester*
James B. Eldridge	*Middlesex and Worcester*
Tom Sannicandro	*7th Middlesex*
Patricia D. Jehlen	*Second Middlesex*
Frank A. Moran	*17th Essex*
Timothy J. Toomey, Jr.	*26th Middlesex*

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By Ms. Chang-Diaz, a petition (accompanied by bill, Senate, No. 1452) of Sonia Chang-Diaz, Daniel A. Wolf, Benjamin Swan, David M. Rogers and other members of the General Court for legislation to invest in our communities and tax exemptions. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. *1313* OF 2013-2014.]

The Commonwealth of Massachusetts

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

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:

SECTION 1. Section 3 of chapter 62 of the General Laws, as appearing in the 2014 Official Edition, is hereby amended by striking out subsection B(b)(1)(A) and inserting in place thereof the following:--

A personal exemption of $7,900 for tax years beginning on or after January 1, 2016.

Section 3 of chapter 62 of the General Laws, as appearing in the 2014 Official Edition, is hereby further amended by striking out subsection B(b)(1A)(A) and inserting in place thereof the following:--

A personal exemption of $10,300 for tax years beginning on or after January 1, 2016.

Section 3 of chapter 62 of the General Laws, as appearing in the 2014 Official Edition, is hereby further amended by striking out subsection B(b)(2)(A) and inserting in place thereof the following:--

A personal exemption of $15,800 for tax years beginning on or after January 1, 2016.

Section 3 of chapter 62 of the General Laws, as appearing in the 2014 Official Edition, is hereby further amended by adding a subsection D to read in its entirety as follows:--

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

SECTION 2. Section 4 of chapter 62 of the General Laws, as appearing in the 2014 Official Edition, is hereby amended by striking out subsection (a)(1) and inserting in place thereof the following:--

Part A taxable income consisting of capital gains shall be taxed at the rate of 8.95 per cent for tax years beginning on or after January 1, 2016.

Section 4 of chapter 62 of the General Laws, as appearing in the 2014 Official Edition, is hereby further amended by striking out subsection (a)(2) and inserting in place thereof the following:--

Part A taxable income consisting of interest and dividends shall be taxed at the rate of 8.95 per cent for tax years beginning on or after January 1, 2016.

Section 4 of chapter 62 of the General Laws, as appearing in the 2014 Official Edition, is hereby further amended by striking out subsection (b) and inserting in place thereof the following:--

Part B taxable income shall be taxed at the rate of 5.95 per cent for tax years beginning on or after January 1, 2016.

Section 4 of chapter 62 of the General Laws, as appearing in the 2014 Official Edition as amended by 2010, 240, Sec. 111, is hereby further amended by striking out subsection (c) and inserting in place thereof the following:--

Part C taxable income shall be taxed at the rate of 8.95 percent for tax years beginning on or after January 1, 2016, excepting Part C taxable income derived from the sale of investments which: (1) are in a corporation which is domiciled in the commonwealth with a date of incorporation on or after January 1, 2011 which has less than $50 million in assets at the time of investment and complies with subsections (e)(1), (e)(2), (e)(5), and (e)(6) of Section 1202 of the Internal Revenue Service Code; and (2) are held for 3 years or more, which shall be taxed at a rate of 3 per cent; provided, however, that in order to qualify for the 3 per cent rate, such investments shall be made within 5 years of the date of incorporation and, to the extent consistent with the provisions of this subsection, shall be in stock in a corporation that satisfies

the requirements for treatment as “qualified small business stock” under section 1202 (c) of the federal Internal Revenue Code, without regard to the requirement that the corporation be a C corporation.