

**SENATE . . . . . No. 1598**

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The Commonwealth of Massachusetts

PRESENTED BY:

*Bruce E. Tarr*

*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 creating an angel investment tax credit.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Bruce E. Tarr</i>	<i>First Essex and Middlesex</i>
<i>Leonard Mirra</i>	<i>2nd Essex</i>
<i>Viriato M. deMacedo</i>	<i>Plymouth and Barnstable</i>
<i>Robert L. Hedlund</i>	<i>Plymouth and Norfolk</i>
<i>Donald F. Humason, Jr.</i>	<i>Second Hampden and Hampshire</i>
<i>Richard J. Ross</i>	<i>Norfolk, Bristol and Middlesex</i>

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By Mr. Tarr, a petition (accompanied by bill, Senate, No. 1598) of Bruce E. Tarr, Leonard Mirra, Viriato M. deMacedo, Robert L. Hedlund and other members of the General Court for legislation to create an angel investment tax credit. Revenue.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE SENATE, NO. 1444 OF 2013-2014.]

The Commonwealth of Massachusetts

—————  
In the One Hundred and Eighty-Ninth General Court  
(2015-2016)  
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An Act relative to creating an angel investment 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. Section 6 of chapter 62 of the General Laws, as appearing in the 2014  
2 Official Edition, is hereby amended by inserting after subsection (s) the following new  
3 subsection:-

4 (t) (1) As used in this subsection, the following words shall have the following  
5 meanings:-

6 “Angel investor”, a taxpayer who provides financing for the development, refinement,  
7 and commercialization of a product or process and other working capital needs.

8           “Small business”, a business entity physically located in Massachusetts and employing  
9 fewer than 100 workers; provided, that not less than 51 per cent of the workers are residents of  
10 Massachusetts.

11           “Start-up expenses”, the expenses for the administration and operation of a business prior  
12 to the time the business becomes operational.

13           (2) An angel investor shall be allowed a credit against the taxes imposed by this chapter  
14 equal to 15 per cent of the monetary amount provided to a small business for the start-up  
15 expenses associated with the small business; provided, the credit shall be equal to 25 per cent if  
16 the small business is physically located in an economic target area pursuant to section 3D of  
17 chapter 23A.

18           (3) Any amount of the credit that exceeds the tax due for a taxable year may be carried  
19 forward by the taxpayer to any of the 3 subsequent taxable years.

20           (4) The total cumulative amount of credits issued in a calendar year pursuant to this  
21 subsection shall not exceed an annual cap equal to not less than \$5,000,000 nor more than  
22 \$10,000,000.

23           (A) Funding for the credit shall be from any remaining amount of consolidated net  
24 surplus after complying with clause (a) of section 5C of chapter 29.

25           (5) The credit authorized in this subsection shall expire on December 31, 2021.

26           (6) The commissioner shall promulgate regulations necessary for the administration of  
27 this subsection.