HOUSE DOCKET, NO. 437 FILED ON: 1/12/2017

HOUSE . . . . . No. 215

The Commonwealth of Massachusetts

PRESENTED BY:

Gailanne M. Cariddi

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 tax increment financing plan for new businesses.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
Gailanne M. Cariddi	*1st Berkshire*	*1/12/2017*
Jason M. Lewis	*Fifth Middlesex*	*1/12/2017*
Patricia A. Haddad	*5th Bristol*	*1/12/2017*

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HOUSE . . . . . No. 215

By Ms. Cariddi of North Adams, a petition (accompanied by bill, House, No. 215) of Gailanne M. Cariddi, Jason M. Lewis and Patricia A. Haddad that the Economic Assistance Coordinating Council under the oversight of the Secretary of Housing and Economic Development establish a tax increment financing program. Economic Development and Emerging Technologies.

The Commonwealth of Massachusetts

In the One Hundred and Ninetieth General Court
(2017-2018)

An Act establishing a tax increment financing plan for new businesses.

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. Chapter 23A of the General Laws is hereby amended by adding the following section:-

Section 66. (a) The Economic Assistance Coordinating Council, hereinafter the EACC, under the oversight of the secretary of housing and economic development shall establish a tax increment financing program, hereinafter the program, which shall incentivize the development of businesses in particular areas of the commonwealth in accordance with the requirements of this section. The program shall provide exemptions from certain state taxes and fees to qualifying businesses.

(b) The EACC shall establish no more than four zones, one in each of the counties of Berkshire, Franklin, Hampden, and Hampshire, in which the program shall be available, hereinafter referred to as a business zone.

(c) In order to qualify for the program, a business shall apply to the department of housing and economic development on an application which the department shall develop, and shall meet the following requirements in order to enter into a tax increment financing plan:

(1) The business shall be located within a business zone as established herein;

(2) The business shall be new to the commonwealth, which shall mean: (i) the business is not currently operating or located in the commonwealth, and (ii) the business will not be transferring existing jobs from another part of the commonwealth;

(3) The business shall not be a restaurant, a retail business, a real estate brokerage firm, a law firm, a real estate management company, a hospitality business, a finance or financial services business, a business providing personal, administrative or support services, or an accounting firm;

(4) The business shall demonstrate the potential to create no fewer than 50 new jobs in the commonwealth which shall mean: (i) jobs that will not be transferred from another business in the commonwealth through acquisition, merger, consolidation, or other reorganization of a business; (ii) jobs that will be full-time, include benefits, and require at least 35 hours of work per week; and (iii) jobs that will be filled for no less than the length of the plan as established herein. A business whose application demonstrates the ability to create 50 or more new jobs shall establish training programs to qualify local workers for such jobs or shall agree to participate with local employment and training agencies to give local residents the first priority for employment at such jobs.

(d) A qualifying business approved and selected by the department for the program shall enter into an agreement with the EACC establishing the terms of the business's

individualized tax increment finance plan, hereinafter the plan. The plan shall establish the business's exemptions from otherwise applicable taxes and fees, which shall be a percentage of such taxes and fees that shall not exceed 100 per cent. Percentage of such taxes shall be increased annually by a set amount. No exemptions shall be available for a period longer than ten years. The taxes and fees from which a plan may allow a business to be exempt may include, but are not limited to, the following:

(1) Business registration fees;

(2) The use tax;

(3) The personal income tax, provided that this shall apply to sole proprietorships only;

(4) The annual report fee for domestic corporations and domestic limited partnerships;

(5) Sales tax on newly purchased equipment; and

(6) Taxes on corporations.

(e) The EACC shall implement the tax increment financing program by issuing regulations and rules consistent with the requirements of this section.

SECTION 2. The EACC shall issue the regulations required by subsection (e) of section 66 of chapter 23A of the General Laws on or before January 1, 2019.