

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Angelo M. Scaccia

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 increasing the income tax rate and personal exemption and lowering the sales tax rate.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: | DATE ADDED: |
|--------------------------|---------------------|------------------|
| <i>Angelo M. Scaccia</i> | <i>14th Suffolk</i> | <i>6/21/2018</i> |

HOUSE No.

By Mr. Scaccia of Boston, a petition (subject to Joint Rule 12) of Angelo M. Scaccia relative to increasing the income tax rate and personal exemption and lowering the sales tax rate. Revenue.

The Commonwealth of Massachusetts

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

An Act increasing the income tax rate and personal exemption and lowering the sales tax rate.

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. Subparagraph (1) of paragraph (b) of part B of section 3 of chapter 62 of the
2 General Laws, as appearing in the 2016 Official Edition, is hereby amended by striking out
3 clause (A) and inserting in place thereof the following clause:-

4 (A) a personal exemption of \$6,600 for tax years beginning on or after January 1, 2019,

5 For taxable years beginning on or after January 1, 2020, the personal exemption shall be:

6 (i) the exemption in the previous year plus \$275 if the inflation-adjusted growth in baseline taxes

7 in the fiscal year ending the June 30 of the previous year exceeds 2.5 per cent and the inflation-

8 adjusted change in baseline taxes for each consecutive 3 month period reported by the

9 commissioner between August and December of the previous year is greater than 0; or (ii) the

10 personal exemption in effect for the prior year. On or before October 15 of each year, the

11 commissioner shall submit a report to the secretary of administration, the house and senate

12 committees on ways and means and the joint committee on revenue providing a preliminary

13 statement of the personal exemption for taxable years beginning on or after the following
14 January 1. On or before December 15, the commissioner shall make a final statement of the
15 personal exemption for the following year to the same recipients.

16 SECTION 2. Subparagraph (1A) of said paragraph (b) of said part B of said section 3 of
17 said chapter 62, as so appearing, is hereby amended by striking out clause (A) and inserting in
18 place thereof the following clause:-

19 (A) a personal exemption of \$10,200 for tax years beginning on or after January 1, 2019,

20 For taxable years beginning on or after January 1, 2020, the personal exemption shall be:

21 (i) the exemption in the previous year plus \$425 if the inflation-adjusted growth in baseline taxes
22 in the fiscal year ending the June 30 of the previous year exceeds 2.5 per cent and the inflation-
23 adjusted change in baseline taxes for each consecutive 3 month period reported by the
24 commissioner between August and December of the previous year is greater than 0; or (ii) the
25 personal exemption in effect for the prior year. On or before October 15 of each year, the
26 commissioner shall submit a report to the secretary of administration, the house and senate
27 committees on ways and means and the joint committee on revenue providing a preliminary
28 statement of the personal exemption for taxable years beginning on or after the following
29 January 1. On or before December 15, the commissioner shall make a final statement of the
30 personal exemption for the following year to the same recipients.

31 SECTION 3. Subparagraph (2) of said paragraph (b) of said part B of said section 3 of
32 said chapter 62, as so appearing, is hereby amended by striking out clause (A) and inserting in
33 place thereof the following clause:-

34 (A) a personal exemption of \$13,200 for tax years beginning on or after January 1, 2019,

35 For taxable years beginning on or after January 1, 2020, the personal exemption shall be:
36 (i) the exemption in the previous year plus \$550 if the inflation-adjusted growth in baseline taxes
37 in the fiscal year ending the June 30 of the previous year exceeds 2.5 per cent and the inflation-
38 adjusted change in baseline taxes for each consecutive 3 month period reported by the
39 commissioner between August and December of the previous year is greater than 0; or (ii) the
40 personal exemption in effect for the prior year. On or before October 15 of each year, the
41 commissioner shall submit a report to the secretary of administration, the house and senate
42 committees on ways and means and the joint committee on revenue providing a preliminary
43 statement of the personal exemption for taxable years beginning on or after the following
44 January 1. On or before December 15, the commissioner shall make a final statement of the
45 personal exemption for the following year to the same recipients.

46 SECTION 4. Section 4 of said chapter 62, as so appearing, is hereby amended by striking
47 out paragraph (2) of subsection (a) and inserting in place thereof the following paragraph:-

48 (2) Part A taxable income consisting of interest and dividends shall be taxed at the same
49 rate as provided for in subsection (b) of this section.

50 SECTION 5. Said section 4 of said chapter 62, as so appearing, is hereby amended by
51 striking out subsection (b) and inserting in place thereof the following subsection:-

52 (b) Part B taxable income shall be taxed at the rate of 6 per cent for tax years beginning
53 on or after January 1, 2019.

54 SECTION 6. Section 2 of chapter 64H of the General Laws, as so appearing, is hereby
55 amended by striking out, in line 3, the figure "6.25" and inserting in place thereof the following
56 figure:- 5.

57 SECTION 7. Section 2 of chapter 64I of the General Laws, as so appearing, is hereby
58 amended by striking out, in line 7, the figure “6.25” and inserting in place thereof the following
59 figure:- 5.

60 SECTION 8. Section 183 of chapter 184 of the acts of 2002, as amended by section 44 of
61 chapter 300 of the acts of 2002, is hereby repealed.

62 SECTION 9. The secretary of administration and finance shall annually issue a report
63 recommending the elimination of at least \$50 million worth of tax expenditures. The report shall
64 be submitted by October 15 of each year to the chairs of the house and senate committees on
65 ways and means, the chairs of the joint committee on revenue and the chairs of the joint
66 committee on housing and economic development.