

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

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**The Commonwealth of Massachusetts**

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PRESENTED BY:

*Angelo M. Scaccia*

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*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:

*Angelo M. Scaccia*

DISTRICT/ADDRESS:

*14th Suffolk*

**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.