

HOUSE No. 2424

The Commonwealth of Massachusetts

PRESENTED BY:

Mike Connolly and Joanne M. Comerford

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 strengthen the foundation of the Commonwealth.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: |
|-------------------------------|--|
| <i>Mike Connolly</i> | <i>26th Middlesex</i> |
| <i>Joanne M. Comerford</i> | <i>Hampshire, Franklin and Worcester</i> |
| <i>Ruth B. Balsler</i> | <i>12th Middlesex</i> |
| <i>Christine P. Barber</i> | <i>34th Middlesex</i> |
| <i>Peter Capano</i> | <i>11th Essex</i> |
| <i>Mindy Domb</i> | <i>3rd Hampshire</i> |
| <i>Nika C. Elugardo</i> | <i>15th Suffolk</i> |
| <i>Dylan A. Fernandes</i> | <i>Barnstable, Dukes and Nantucket</i> |
| <i>Tami L. Gouveia</i> | <i>14th Middlesex</i> |
| <i>James K. Hawkins</i> | <i>2nd Bristol</i> |
| <i>Patricia D. Jehlen</i> | <i>Second Middlesex</i> |
| <i>Mary S. Keefe</i> | <i>15th Worcester</i> |
| <i>Jack Patrick Lewis</i> | <i>7th Middlesex</i> |
| <i>Christina A. Minicucci</i> | <i>14th Essex</i> |
| <i>Rady Mom</i> | <i>18th Middlesex</i> |
| <i>Denise Provost</i> | <i>27th Middlesex</i> |
| <i>Maria Duaine Robinson</i> | <i>6th Middlesex</i> |
| <i>Lindsay N. Sabadosa</i> | <i>1st Hampshire</i> |

Steven Ultrino
Tommy Vitolo

33rd Middlesex
15th Norfolk

HOUSE No. 2424

By Representative Connolly of Cambridge and Senator Comerford, a joint petition (accompanied by bill, House, No. 2424) of Mike Connolly, Joanne M. Comerford and others relative to certain taxable income rates. Revenue.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act to strengthen the foundation of the Commonwealth.

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 3 of chapter 62 of the General Laws, as appearing in the 2016
2 Official Edition, is hereby amended by adding a subsection D to read in its entirety as follows:-

3 In determining the Part A and Part C taxable income of persons who are 65 or older, or
4 who are disabled, an exemption shall be allowed upon the sum of the Part A and Part C adjusted
5 gross income of such persons in an amount equal to the lesser of \$2500 and one third of the sum
6 of such Part A and Part C income for a single person, or a married person filing a separate return,
7 whose total federal adjusted gross income is less than \$40,000, and in an amount equal to the
8 lesser of \$5000 and one third of the sum of the Part A and Part C income for a married couple
9 filing a joint return whose total federal adjusted gross income is less than \$80,000, provided,
10 however, that if only one spouse is 65 or older or is disabled, the exemption shall not exceed
11 \$2,500.

12 SECTION 2. Section 4 of chapter 62 of the General Laws, as appearing in the 2016
13 Official Edition, is hereby amended by striking out subsection (a)(2) and inserting in place
14 thereof the following:-

15 Part A taxable income consisting of interest and dividends shall be taxed at the rate of
16 8.95 per cent.

17 SECTION 3. Section 4 of chapter 62 of the General Laws, as appearing in the 2016
18 Official Edition as amended by 2010, 240, Sec. 111, is hereby further amended by striking out
19 subsection (c) and inserting in place thereof the following:--

20 Part C taxable income shall be taxed at the rate of 8.95 percent, excepting Part C taxable
21 income derived from the sale of investments which: (1) are in a corporation which is domiciled
22 in the commonwealth with a date of incorporation on or after January 1, 2011 which has less
23 than \$50 million in assets at the time of investment and complies with subsections (e)(1), (e)(2),
24 (e)(5), and (e)(6) of Section 1202 of the Internal Revenue Service Code; and (2) are held for 3
25 years or more, which shall be taxed at a rate of 3 per cent; provided, however, that in order to
26 qualify for the 3 per cent rate, such investments shall be made within 5 years of the date of
27 incorporation and, to the extent consistent with the provisions of this subsection, shall be in stock
28 in a corporation that satisfies the requirements for treatment as “qualified small business stock”
29 under section 1202 (c) of the federal Internal Revenue Code, without regard to the requirement
30 that the corporation be a C corporation.

31 SECTION 4. Section 39 of chapter 63 of the General Laws, as appearing in the 2016
32 Official Edition, is amended by striking out subsection (b) and inserting in place thereof the
33 following:--

34 (b) A minimum tax as follows:

35 (1) If the total sales of the corporation in the commonwealth during the taxable year, as
36 defined in section 38(f), are less than \$500,000, the minimum tax shall be \$456.

37 (2) If the total sales of the corporation in the commonwealth during the taxable year, as
38 defined in section 38(f), are less than \$1 million but not less than \$500,000, the minimum tax
39 shall be \$500.

40 (3) If the total sales of the corporation in the commonwealth during the taxable year, as
41 defined in section 38(f), are less than \$5 million but not less than \$1 million, the minimum tax
42 shall be \$1500.

43 (4) If the total sales of the corporation in the commonwealth during the taxable year, as
44 defined in section 38(f), are less than \$25 million but not less than \$5 million, the minimum tax
45 shall be \$3500.

46 (5) If the total sales of the corporation in the commonwealth during the taxable year, as
47 defined in section 38(f), are less than \$50 million but not less than \$25 million, the minimum tax
48 shall be \$5000.

49 (6) If the total sales of the corporation in the commonwealth during the taxable year, as
50 defined in section 38(f), are less than \$100 million but not less than \$50 million, the minimum
51 tax shall be \$10,000.

52 (7) If the total sales of the corporation in the commonwealth during the taxable year, as
53 defined in section 38(f), are less than \$250 million but not less than \$100 million, the minimum
54 tax shall be \$20,000.

55 (8) If the total sales of the corporation in the commonwealth during the taxable year, as
56 defined in section 38(f), are less than \$500 million but not less than \$250 million, the minimum
57 tax shall be \$50,000.

58 (9) If the total sales of the corporation in the commonwealth during the taxable year, as
59 defined in section 38(f), are less than \$1 billion but not less than \$500 million, the minimum tax
60 shall be \$100,000.

61 (10) If the total sales of the corporation in the commonwealth during the taxable year, as
62 defined in section 38(f), are not less than \$1 billion, the minimum tax shall be \$200,000.

63 SECTION 5. Section 6F of chapter 62 of the General Laws, as most recently amended by
64 section 17 of chapter 209 of the Acts of 2018, is hereby further amended by striking subsection
65 (b)(2)(C) and replacing it with the following:

66 (C) In the case of property acquired after December thirty-first, 2019 from a decedent
67 within the meaning of section one thousand and fourteen (b) of the Code, the initial basis of such
68 property shall be determined without application of the provisions of section one thousand and
69 fourteen of the Code.

70 SECTION 6. The provisions of this act shall apply to all taxable years commencing on or
71 after January 1, 2020.