

HOUSE No. 2838

The Commonwealth of Massachusetts

PRESENTED BY:

Paul J. Donato

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 the timing of reimbursement for federal manufacturers excise tax.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Paul J. Donato</i>	<i>35th Middlesex</i>	<i>1/17/2019</i>

HOUSE No. 2838

By Mr. Donato of Medford, a petition (accompanied by bill, House, No. 2838) of Paul J. Donato relative to the timing of contractual reimbursements for the federal manufacturer’s excise tax on petroleum products. Telecommunications, Utilities and Energy.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 2688 OF 2017-2018.]

The Commonwealth of Massachusetts

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

An Act relative to the timing of reimbursement for federal manufacturers excise tax.

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. Chapter 93 of the Massachusetts General Laws is hereby amended by
2 adding the following section: ?

3 § 44. Timing of Reimbursement for Federal Excise Tax on Petroleum Products
4 ?

5 (a) When a contract calls for one party to reimburse the other party for the federal
6 manufacturer's excise tax levied by Part III of Subchapter A of Chapter 32 of the United States
7 Internal Revenue Code, whether as a separate item or as part of the price, the party required to
8 make the reimbursement may tender payment for the taxes 1 business day before the time that
9 the other party is required to remit the taxes to the United States Internal Revenue Service.

10 (b) If a party elects to exercise the option provided in subsection (a) of this section, the
11 other party may demand security for the payment of the taxes in proportion to the amount such
12 taxes represent compared to the security demanded on the contract as a whole. The other party,
13 however, may not change the other payment terms of the contract without a valid business reason
14 except to require the payment of such taxes under the option to be made by electronic transfer of
15 funds.

16 (c) The party exercising the option set out in subsection (a) of this section shall notify the
17 other party in writing of the intent to exercise such payment option and the effective date of the
18 exercise which shall be no earlier than 30 days after the notice of intent is received or the
19 beginning of the next federal tax quarter, whichever is later.