

HOUSE No. 3789

The Commonwealth of Massachusetts

PRESENTED BY:

Tami L. Gouveia, (BY REQUEST)

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 mandating e-filing tax returns.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Edward Sonn</i>		<i>1/17/2019</i>
<i>Paul F. Tucker</i>	<i>7th Essex</i>	<i>2/1/2019</i>

HOUSE No. 3789

By Ms. Gouveia of Acton (by request), a petition (accompanied by bill, House, No. 3789) of Edward Sonn and Paul F. Tucker relative to mandating e-filing of tax returns. Revenue.

The Commonwealth of Massachusetts

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

An Act mandating e-filing tax returns.

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 62C of the General Laws is hereby amended by inserting after
2 section 5A the following section:-

3 Section 5B. (a) For purposes of this section, the following terms shall have the following
4 meanings, unless the context clearly requires otherwise:

5 “Authorized tax document” means a tax document which the commissioner has
6 authorized to be filed electronically, provided however, that any return or report that includes 1
7 or more tax documents that cannot be filed electronically shall not be deemed to be an authorized
8 tax document for purposes of this section.

9 “Original tax document” means a tax document that is filed during the calendar year for
10 which that tax document is required or permitted to be filed.

11 “Tax” means any tax, excise, interest, penalty, or addition to tax imposed by this chapter
12 or the statutes referred to in section 2.

13 “Tax document” means a return, report or any other document relating to a tax.

14 “Tax return preparer” means any person who prepares for compensation, or who employs
15 or engages 1 or more persons to prepare for compensation, any authorized tax document. For
16 purposes of this section, the term “tax return preparer” also includes a payroll service.

17 “Tax software” means any computer software program intended for tax return
18 preparation purposes. For purposes of this section, the term “tax software” includes, but is not
19 limited to, an off-the-shelf software program loaded onto a tax return preparer's or taxpayer's
20 computer, an online tax preparation application, or a tax preparation application hosted by the
21 department.

22 (b) (1) If a tax return preparer prepared more than 100 original tax documents during any
23 calendar year beginning on or after January 1, 2007, and if, in any succeeding calendar year that
24 tax return preparer prepares 1 or more authorized tax documents using tax software, then, for that
25 succeeding calendar year and for each subsequent calendar year thereafter, all authorized tax
26 documents prepared by that tax return preparer shall be filed electronically, in accordance with
27 instructions prescribed by the commissioner.

28 (2) If a tax return preparer prepared authorized tax documents for more than 10 different
29 taxpayers during any calendar year beginning on or after January 1, 2012, and if in any
30 succeeding calendar year that tax return preparer prepares 1 or more authorized tax documents
31 using tax software, then, for such succeeding calendar year and for each subsequent calendar
32 year thereafter, all authorized tax documents prepared by that tax return preparer shall be filed
33 electronically, in accordance with instructions prescribed by the commissioner.

34 (c) If a taxpayer does not utilize a tax return preparer to prepare an authorized tax
35 document, but instead prepares that document itself using tax software, then all authorized tax
36 documents prepared by the taxpayer using tax software shall be filed electronically, in
37 accordance with instructions prescribed by the commissioner.

38 (d) The commissioner may require tax liability or other amount due shown on, or
39 required to be paid with, an authorized tax document required to be filed electronically pursuant
40 to subsection (b) or (c) of this section to be paid by the taxpayer electronically, in accordance
41 with instructions prescribed by the commissioner.

42 (e) (1) If a tax return preparer required to file authorized tax documents electronically
43 pursuant to subsection (b) fails to file 1 or more of said documents electronically, the tax return
44 preparer shall be subject to a penalty of \$50 for each failure to electronically file an authorized
45 tax document, unless it is shown that the failure is due to reasonable cause and not due to willful
46 neglect.

47 (2) If a taxpayer required to electronically file any authorized tax documents or
48 electronically pay any tax liability or other amount due shown on, or required to be paid with, an
49 authorized tax document required to be filed electronically pursuant to subsection (b) or (c), fails
50 to electronically file 1 or more of said tax documents or electronically pay 1 or more of said
51 liabilities or other amounts due, the taxpayer shall be subject to a penalty of \$50 for each failure
52 to electronically file any authorized tax document or electronically pay any tax, unless it is
53 shown that the failure is due to reasonable cause and not due to willful neglect. Any taxpayer
54 that fails to electronically file an authorized tax document for any tax shall be subject to the
55 penalty imposed for the failure to file a return or report, regardless of whether a paper return or

56 report has been filed. This subsection shall not apply to an individual taxpayer with respect to
57 his or her personal tax documents.

58 (3) The penalties imposed pursuant to this subsection shall be paid upon notice and
59 demand, and shall be assessed, collected and paid in the same manner as the tax to which the
60 electronic transaction relates; provided, however, that if the electronic transaction relates to
61 another matter administered by the commissioner, then the penalty shall be assessed, collected
62 and paid in the same manner as prescribed by the commissioner.

63 (4) If a taxpayer or tax return preparer fails to electronically file an authorized tax
64 document as required pursuant to subsections (b) or (c), the taxpayer shall not be eligible to
65 receive interest on any overpayment pursuant to section 40; provided, however, that this
66 subsection shall not apply to an individual taxpayer with respect to his or her personal tax
67 documents.

68 (f) The commissioner shall promulgate regulations as necessary to implement this
69 section.

70 SECTION 2. Section 1 shall apply to tax years beginning on or after June 1, 2020.