

**HOUSE . . . . . No. 3888**

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The Commonwealth of Massachusetts

PRESENTED BY:

*Mike Connolly*

*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 implementing progressive options for raising new revenue.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Mike Connolly</i>	<i>26th Middlesex</i>
<i>Tami L. Gouveia</i>	<i>14th Middlesex</i>
<i>Maria Duaine Robinson</i>	<i>6th Middlesex</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>
<i>Christine P. Barber</i>	<i>34th Middlesex</i>

**HOUSE . . . . . No. 3888**

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By Mr. Connolly of Cambridge, a petition (accompanied by bill, House, No. 3888) of Mike Connolly and others relative to taxation. Revenue.

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The Commonwealth of Massachusetts

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

An Act implementing progressive options for raising new revenue.

*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 5G of chapter 29 of the General Laws, as appearing in the 2016  
2 Official Edition, is hereby amended by striking out the first paragraph and inserting in place  
3 thereof the following paragraph:-

4 After each quarter, the department of revenue shall certify to the state comptroller the  
5 amount of tax revenues estimated to have been collected during the preceding quarter from  
6 capital gains income. If the department of revenue certifies that the amount of tax revenues  
7 estimated to have been collected from capital gains income exceeds \$1,500,000,000 in a fiscal  
8 year, the comptroller shall transfer quarterly any such amount that exceeds \$1,500,000,000  
9 collected during that fiscal year to the Commonwealth Stabilization Fund established in section  
10 2H. The \$1,500,000,000 threshold established in the preceding sentence shall be adjusted  
11 annually to reflect the average annual rate of growth in United States gross domestic product  
12 over the preceding 5 years based on the most recently available data published by the Bureau of  
13 Economic Analysis in the United States Department of Commerce.

14 SECTION 2. Subsection A of section 3 of chapter 62 of the General Laws, as so appearing, is  
15 hereby amended by adding the following 3 paragraphs:-

16 (c) In the case of a single person or a married person filing a separate return who is 65 years of  
17 age or older or who is disabled and whose federal adjusted gross income is less than \$40,000, an  
18 amount equal to the lesser of \$1,650 or 1/3 of Part A adjusted gross income.

19 (d) In the case of a married couple filing a joint return, 1 of whom is 65 years of age or older or  
20 who is disabled and whose federal adjusted gross income is less than \$80,000, an amount equal  
21 to the lesser of \$1,650 or 1/3 of Part A adjusted gross income.

22 (e) In the case of a married couple filing a joint return, both of whom are either 65 years of age  
23 or older or disabled and whose federal adjusted gross income is less than \$80,000, an amount  
24 equal to the lesser of \$3,300 or 1/3 of Part A adjusted gross income

25 SECTION 3. Subsection C of said section 3 of said chapter 62, as so appearing, is hereby  
26 amended by adding the following 3 paragraphs:-

27 (d) In the case of a single person or a married person filing a separate return who is 65 years of  
28 age or older or who is disabled and whose federal adjusted gross income is less than \$40,000, an  
29 amount equal to the lesser of \$1,650 or 1/3 of Part C adjusted gross income.

30 (e) In the case of a married couple filing a joint return, 1 of whom is 65 years of age or older or  
31 who is disabled and whose federal adjusted gross income is less than \$80,000, an amount equal  
32 to the lesser of \$1,650 or 1/3 of Part C adjusted gross income.

33 (f) In the case of a married couple filing a joint return, both of whom are either 65 years of age or  
34 older or disabled and whose federal adjusted gross income is less than \$80,000, an amount equal  
35 to the lesser of \$3,300 or 1/3 of Part C adjusted gross income

36 SECTION 4. Section 4 of chapter 62 of the General Laws, as appearing in the 2016 Official  
37 Edition, is hereby amended by striking out, in line 7, the figure “5.95” and inserting in place  
38 thereof the following figure:- 8.95.

39 SECTION 5. Said section 4 of said chapter 62, as so appearing, is hereby further amended by  
40 striking out, in lines 32 and 33, the words “same rate as provided for in paragraph (b)” and  
41 inserting in place thereof the following words:- rate of 8.95 per cent.

42 SECTION 6. Section 5 of said chapter 62, as so appearing, is hereby amended by striking out, in  
43 line 30, the figure 5 and inserting in place thereof the following figure: – 5.05.

44 SECTION 7. Subsection (h) of section 6 of said chapter 62 of the General Laws, as appearing in  
45 section 30 of chapter 154 of the acts of 2018, is hereby amended by striking out the figure “30”,  
46 each time it appears, and inserting in place thereof, in each instance, the following figure:- 50.

47 SECTION 8. Section 6F of chapter 62 of the General Laws, as most recently amended by section  
48 17 of chapter 209 of the Acts of 2018, is hereby further amended by striking subsection (b)(2)(C)  
49 and replacing it with the following:-

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

54 SECTION 9. Section 39 of chapter 63 of the General Laws, as so appearing, is amended by  
55 striking out subsection (b) and inserting in place thereof the following subsection:--

56 (b) A minimum tax as follows:

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

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

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

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

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

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

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

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

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

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

85 SECTION 10. Section 1 of chapter 64D of the General Laws, as so appearing, is hereby  
86 amended by inserting after the word “dollars”, in line 17, the following words:- ; and provided  
87 further, that if said consideration in any part of the commonwealth exceeds \$2,000,000 but is less  
88 than \$5,000,000, the excise shall be 2 per cent of such consideration or if said consideration in  
89 any part of the commonwealth exceeds \$5,000,000, the excise shall be 5 per cent of such  
90 consideration.

91 SECTION 11. Section 2 of chapter 65C of the General Laws is hereby amended by striking out  
92 subsection (a) and inserting in place thereof the following subsection:-

93 Notwithstanding any law to the contrary, a tax computed in accordance with the following table  
94 less the credit, if any, provided in subsection (a) of section three, is hereby imposed on the  
95 transfer of the Massachusetts taxable estate of every deceased resident of Massachusetts:--

If the Massachusetts		The Massachusetts estate tax shall be:	
taxable estate is:			
Over	But not over		
0	50,000	5% of the taxable estate	
50,000	100,000	\$ 2,500 plus 7% of the excess over	\$ 50,000
100,000	200,000	\$ 6,000 plus 9% of the excess over	\$ 100,000
200,000	400,000	\$ 15,000 plus 10% of the excess over	\$ 200,000

400,000	600,000	\$ 35,000 plus 11% of the excess over	\$ 400,000
600,000	800,000	\$ 57,000 plus 12% of the excess over	\$ 600,000
800,000	1,000,000	\$ 81,000 plus 13% of the excess over	\$ 800,000
1,000,000	2,000,000	\$107,000 plus 28% of the excess over	\$1,000,000
2,000,000	4,000,000	\$247,000 plus 30% of the excess over	\$2,000,000
4,000,000		\$547,000 plus 32% of the excess over	\$4,000,000

96 ; provided, however, that the tax under this subsection shall not be greater than 30 per cent of the  
97 amount by which the Massachusetts net estate exceeds the exemption given at subsection (a) of  
98 section three.