

**SENATE . . . . . No. 1706**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Jason M. Lewis*

*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 extending the wellness program tax credit.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>	
<i>Diana DiZoglio</i>	<i>First Essex</i>	<i>1/30/2019</i>
<i>James Arciero</i>	<i>2nd Middlesex</i>	<i>2/4/2019</i>
<i>Walter F. Timilty</i>	<i>Norfolk, Bristol and Plymouth</i>	<i>2/4/2019</i>
<i>Julian Cyr</i>	<i>Cape and Islands</i>	<i>2/4/2019</i>

**SENATE . . . . . No. 1706**

By Mr. Lewis, a petition (accompanied by bill, Senate, No. 1706) of Jason M. Lewis, Diana DiZoglio, James Arciero, Walter F. Timilty and others for legislation to extend the wellness program tax credit. Revenue.

**The Commonwealth of Massachusetts**

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

An Act relative to extending the wellness program tax credit.

*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 62 of the General Laws as most recently appearing in the 2016  
2 Official Edition, is hereby amended by inserting after section 6N the following new section:-

3 Section 6O (a) The purpose of this section shall be to provide incentives for business to  
4 recognize the benefits of wellness programs and provide the Commonwealth the opportunity to  
5 evaluate the health benefits of employer wellness programs. Wellness programs implemented by  
6 business have resulted in both savings to their premiums as well as overall savings to the cost of  
7 health care. The goal of this tax credit is to provide smaller businesses with an expanded  
8 opportunity to implement these programs, and a mechanism for the Commonwealth to assess  
9 programming benefits.

10 (b) There is hereby established a Massachusetts wellness program tax credit. The total of  
11 all tax credits available to a taxpayer pursuant to this section or section 38FG of chapter 63 shall  
12 not exceed \$10,000 in any 1 tax year. A business that implements a wellness program shall be

13 allowed a credit, to be computed as hereinafter provided, against taxes owed to the  
14 commonwealth under chapter 62 or chapter 63 or other applicable law. For the purposes of this  
15 section, "businesses" shall include professions, sole proprietorships, trades, businesses, or  
16 partnerships.

17 (c) The credit allowed under this chapter shall be equal to 25 per cent of the costs  
18 associated with implementing a program certified under section 206A of chapter 111, with a  
19 maximum credit of \$10,000 per business in any 1 fiscal year. The department of public health  
20 shall determine the criteria for eligibility for the credit, the criteria to be set forth in regulations  
21 promulgated under this section and section 206A of chapter 111. The regulations shall require  
22 proof of using a wellness program qualified under section 206A of chapter 111. The department  
23 shall issue a certification to the taxpayer after the taxpayer submits documentation as required by  
24 the department. Such certification shall be acceptable as proof that the expenditures related to the  
25 implementation of a wellness program for the purposes of the credit allowed under this section.

26 (d) Wellness program tax credits allowed to a business under this section shall be allowed  
27 for the taxable year in which the program is implemented; provided, however, that a tax credit  
28 allowed under this section shall not reduce the tax owed below zero. A taxpayer allowed a credit  
29 under this section for a taxable year may carry over and apply against such taxpayer's tax liability  
30 in any of the succeeding 5 taxable years, the portion, as reduced from year to year, of those  
31 credits which exceed the tax for the taxable year.

32 (e) The department of public health shall consult with the department of revenue and  
33 individuals from various business and health care organizations from Massachusetts, including  
34 but not limited to; the Associated Industries of Massachusetts, the Massachusetts Society of

35 Certified Public Accountants, the Massachusetts chapter of the International Health, Racquet and  
36 Sportsclub Association, the Massachusetts Association of Health Plans, the Massachusetts  
37 chapter of the National Federation of Independent Businesses; the Massachusetts Taxpayer  
38 Foundation, and the Smaller Business Association of New England on the promotion of the  
39 program to eligible entities.

40 (f) The department of public health shall set health and economic outcome goals for the  
41 wellness program tax credit, including but not limited to (i) program participation increase of  
42 25% per year, (ii) slowed increase in employer health costs (iii) improvements in employee well-  
43 being, and quality of life, and (iv) growth in existing employee wellness programs. The  
44 department of public health in consultation with the department of revenue shall study the health  
45 and economic outcomes of the program and file a report, together with any recommendations  
46 regarding whether there should be legislative changes to the tax credit or whether the health and  
47 economic goals of the program can better be served through other means, to the clerks of the  
48 house of representatives and senate, chairs of the house and senate committees on ways and  
49 means, the house and senate chairs of the joint committee on health care financing, the house and  
50 senate chairs of the joint committee on public health and the secretary of the executive office of  
51 administration and finance on or before December 1 of each calendar year.

52 SECTION 2: Chapter 63 of the General Laws as most recently appearing in the 2016  
53 Official Edition, is hereby amended by inserting after section 38FF the following new section:-  
54 Section 38FG:-

55 (a) The purpose of this section shall be to provide incentives for business to recognize the  
56 benefits of wellness programs and provide the Commonwealth the opportunity to evaluate the

57 health benefits of employer wellness programs. Wellness programs implemented by business  
58 have resulted in both savings to their premiums as well as overall savings to the cost of health  
59 care. The goal of this tax credit is to provide smaller businesses with an expanded opportunity to  
60 implement these programs, and a mechanism for the Commonwealth to assess programming  
61 benefits.

62 (b) There is hereby established a Massachusetts wellness program tax credit. The total of  
63 all tax credits available to a taxpayer pursuant to this section or section 60 of chapter 62 shall not  
64 exceed \$10,000 in any 1 tax year. A business that implements a wellness program shall be  
65 allowed a credit, to be computed as hereinafter provided, against taxes owed to the  
66 commonwealth under chapter 62 or chapter 63 or other applicable law. For the purposes of this  
67 section, "businesses" shall include professions, sole proprietorships, trades, businesses or  
68 partnerships.

69 (c) The credit allowed under this chapter shall be equal to 25 per cent of the costs  
70 associated with implementing the program, with a maximum credit of \$10,000 per business in  
71 any 1 fiscal year. The department of public health shall determine the criteria for eligibility for  
72 the credit, such criteria to be set forth in regulations promulgated under this section. The  
73 regulations shall require proof of using a wellness program qualified under section 206A of  
74 chapter 111. The department shall issue a certification to the taxpayer after the taxpayer submits  
75 documentation as required by the department. The certification shall be acceptable as proof that  
76 the expenditures related to the implementation of a wellness program for the purposes of the  
77 credit allowed under this section.

78 (d) The credit allowed in this chapter for any taxable year shall not reduce the excise to  
79 less than the amount due under subsection (b) of section 39, section 67 or any other applicable  
80 section.

81 (e) Wellness program tax credits allowed to a business under this section shall be allowed  
82 for the taxable year in which the program is implemented. A taxpayer allowed a credit under this  
83 section for a taxable year may carry over and apply against the taxpayer's tax liability in any of  
84 the succeeding 5 taxable years, the portion, as reduced from year to year, of those credits which  
85 exceed the tax for the taxable year.

86 (f) The department of public health shall consult with the department of revenue and  
87 individuals from various business and health care organizations from Massachusetts, including  
88 but not limited to; the Associated Industries of Massachusetts, the Massachusetts Society of  
89 Certified Public Accountants, the Massachusetts chapter of the International Health, Racquet and  
90 Sportsclub Association, the Massachusetts Association of Health Plans, the Massachusetts  
91 chapter of the National Federation of Independent Businesses; the Massachusetts Taxpayer  
92 Foundation, and the Smaller Business Association of New England on the promotion of the  
93 program to eligible entities.

94 (g) The department of public health shall set health and economic outcome goals for the  
95 wellness program tax credit, including but not limited to (i) program participation increase of  
96 25% per year, (ii) slowed increase in employer health costs (iii) improvements in employee well-  
97 being, and quality of life, and (iv) growth in existing employee wellness programs. The  
98 department of public health in consultation with the department of revenue shall study the health  
99 and economic outcomes of the program and file a report, together with any recommendations

100 regarding whether there should be legislative changes to the tax credit or whether the health and  
101 economic goals of the program can better be served through other means, to the clerks of the  
102 house of representatives and senate, chairs of the house and senate committees on ways and  
103 means, the house and senate chairs of the joint committee on health care financing, the house and  
104 senate chairs of the joint committee on public health and the secretary of the executive office of  
105 administration and finance on or before December 1 of each calendar year.

106           SECTION 3: Notwithstanding any general or special law to the contrary, the  
107 commissioner of revenue, in consultation with the department of public health, shall authorize  
108 annually an amount not to exceed \$1,000,000 for the wellness program tax credit in section 6O  
109 of chapter 62 of the General Laws together with chapter 38FG of chapter 63 of the General  
110 Laws.

111           SECTION 4: Section 6O of chapter 62 General Laws together with chapter 38FG of  
112 chapter 63 of the General Laws shall expire on December 31, 2022.