

SENATE No. 1706

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.