

HOUSE No. 2855

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 facilitating housing for all.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Mike Connolly</i>	<i>26th Middlesex</i>	<i>2/19/2021</i>
<i>Tami L. Gouveia</i>	<i>14th Middlesex</i>	<i>2/25/2021</i>
<i>Michelle M. DuBois</i>	<i>10th Plymouth</i>	<i>2/26/2021</i>
<i>Nika C. Elugardo</i>	<i>15th Suffolk</i>	<i>3/13/2021</i>

HOUSE No. 2855

By Mr. Connolly of Cambridge, a petition (accompanied by bill, House, No. 2855) of Mike Connolly and others for legislation to establish a homelessness prevention and reduction fund to be funded by taxes on gross receipts of business entities. Revenue.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Second General Court
(2021-2022)**

An Act facilitating housing for all.

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 10 of the General Laws is hereby amended by inserting after
2 section 35DDD the following section:-

3 Section 35FFF. (a) There shall be established and set up on the books of the
4 commonwealth a separate fund to be known as the Homelessness Prevention and Housing For
5 All Fund, hereafter referred to as the Fund. The Fund shall consist of all revenues, including all
6 taxes, penalties, interest and fees received by the commonwealth pursuant to chapter 63D. The
7 state treasurer shall be the custodian of the Fund and shall credit interest and earnings on the
8 Fund to the Fund. All amounts credited to the Fund shall be maintained separate and apart from
9 all other funds and shall be subject to appropriation. Any balance remaining in the Fund at the
10 close of any fiscal year shall be carried forward and accumulated in the Fund to be used in future
11 fiscal years for the purposes described in subsection (b).

12 (b) Monies in the Fund shall be appropriated on an annual or supplemental basis and used
13 exclusively for the following purposes:

14 (i)The administration or oversight of the homelessness prevention and housing for all
15 gross receipts tax, hereafter referred to as the "gross receipts tax", established under chapter 63D;
16 the administration and oversight of this Fund; and the administration of the annual reports
17 required in subsection (c); provided, however, that no more than 3 per cent of total annual
18 revenue from the gross receipts tax shall be expended for such purposes annually;

19 (ii)Refunds of any overpayments of the gross receipts tax, including any related penalties,
20 interests, and fees; and

21 (iii)The prevention and reduction of homelessness and the elimination of barriers to
22 housing, including, but not limited to, programs that:

23 (A)help adults, families, or youth who are experiencing homelessness, including but not
24 limited to people who are experiencing homelessness and have mental health conditions or are
25 struggling with substance use, to permanently exit homelessness and secure permanent housing.

26 (B)ensure that unhoused persons with barriers to housing, including but not limited to a
27 lack of identification and documentation, are able to access housing;

28 (C)provide rental subsidies for both short- and long-term rentals;

29 (D)support the construction, acquisition, rehabilitation, lease, preservation, and operation
30 of emergency, short-term and permanent housing units;

31 (E)provide onsite supportive services for formerly houseless adults, families, and youth;

32 (F)protect extremely low and very low-income households, especially households with
33 seniors, veterans or persons with disabilities;

34 (G)provide financial, utility or rental assistance, including but not limited to assistance to
35 address or cancel debts accrued during the COVID-19 state of emergency, as well as short-term
36 case management, conflict mediation, legal representation in eviction cases and cases in housing
37 court, connections to public benefit agencies, housing search assistance, and other support
38 services and programs relevant to ensuring guaranteed housing for all.

39 (H)provide mental and behavioral health services for unhoused individuals, including the
40 acquisition or leasing of facilities to provide such services;

41 (I)support public investments in community land trusts, publicly-owned housing, social
42 housing, deed-restricted affordable housing, limited equity cooperative housing, partnerships that
43 increase the availability of affordable housing, municipal affordable housing trust funds, and
44 programs that support the decommmodification of housing, including but not limited to, the
45 servicing of debt incurred by capital expenditures related to the acquisition, development,
46 preservation, and rehabilitation of these types of housing.

47 (c) Not later than February 15, 2023 and every year thereafter, the commissioner of
48 revenue shall report the amount remaining in the Fund from the previous fiscal year, an update of
49 revenues for the current fiscal year and the estimates of revenues to be credited to the Fund in the
50 subsequent fiscal year. The commissioner of revenue shall file this report with the secretary of
51 administration and finance, the secretary of housing and economic development, the chair of the
52 house committee on ways and means, the chair of the senate committee on ways and means, the
53 chairs of the joint committee on housing and the chairs of the joint committee on revenue.

54 Beginning in fiscal year 2024 and each fiscal year thereafter, the state auditor shall issue
55 a report on appropriations made from the Fund in the prior fiscal year. The auditor shall include
56 in the report, at a minimum, the percentage of total appropriations intended for housing and
57 housing support services drawn from the Fund as compared to appropriations for such purposes
58 not drawn from the fund. The report shall compare the latter to appropriations made for such
59 purposes in fiscal year 2022, which shall serve as the "base year". If non-Fund appropriations for
60 such purposes in the fiscal year for which the report is generated are significantly lower than the
61 base year, after taking into account inflation, the state auditor shall note the discrepancy.

62 The state auditor may audit any organization or agency receiving appropriations from the
63 Fund to ensure that the appropriations were used for their intended purpose. The state auditor
64 shall submit all audit reports regarding the Fund to the secretary of administration and finance,
65 the secretary of housing and economic development, the secretary of transportation, the chair of
66 the house committee on ways and means, the chair of the senate committee on ways and means,
67 the chairs of the joint committee on housing, and the chairs of the joint committee on revenue.

68 SECTION 2. The General Laws are hereby amended by adding the following chapter:-
69 CHAPTER 63D.

70 HOMELESSNESS PREVENTION AND HOUSING FOR ALL GROSS RECEIPTS
71 TAX

72 Section 1. For the purposes of this chapter, the following terms shall, unless the context
73 clearly requires otherwise, have the following meanings:

74 "Business entity", any corporation, partnership, limited liability company, limited
75 liability partnership or other such pass-through entity, or any individual, association or trust
76 engaged in business in the commonwealth and subject to tax under chapters 62 or 63.

77 "Commissioner", the commissioner of revenue.

78 "Engaged in business in the commonwealth" shall have the same meaning as found in
79 section 1 of chapter 63; provided, however, that it shall be construed to include individuals
80 conducting such business activities as described in said section 1 of said chapter 63 but who are
81 taxed under chapter 62.

82 "Gross receipts", shall: (i) include the total amounts received or accrued by a business
83 entity from whatever source derived, including, but not limited to, amounts derived from sales,
84 services, dealings in property, interest, rent, royalties, dividends, licensing fees, other fees,
85 commissions and distributed amounts from other business entities. Except as otherwise
86 specifically provided in this chapter, gross receipts includes but is not limited to all amounts that
87 constitute gross income for federal income tax purposes. Except as otherwise specifically
88 provided in this chapter, gross receipts includes all receipts, cash, credits and property of any
89 kind or nature and including any amount for which credit is allowed by the seller to the
90 purchaser, without any deduction therefrom on account of the cost of the property sold, the cost
91 of materials used, labor or service costs, interest paid or payable, losses or any other expense
92 whatsoever, except that cash discounts allowed or taken on sales shall not be included as gross
93 receipts; (ii) with respect to any lease or rental, include payment for any services that are part of
94 the lease or rental, whether received in money or otherwise, that are paid to, on behalf of, or for
95 the benefit of, the lessor, and all receipts, cash, credits, property of any kind or character and the

96 fair market value of services so paid or rendered by the lessee; (iii) not include the amount of any
97 federal, state, or local tax imposed on or with respect to retail sales whether imposed upon the
98 retailer or upon the purchaser and regardless of whether the amount of tax is stated as a separate
99 charge, or such part of the sales price of any property previously sold and returned by the
100 purchaser to the seller which is refunded by the seller by way of cash or credit allowances given
101 or taken as part payment on any property so accepted for resale. Gross receipts shall also not
102 include any federal, state or local tax imposed upon a business entity for which that business
103 entity is reimbursed by means of a separately stated charge to a purchaser, lessee, licensee or
104 customer. Gross receipts shall not include any amount of third-party taxes that a taxpayer
105 collects from or on behalf of the taxpayer's customers and remits to the appropriate governmental
106 entity imposing such tax. Gross receipts shall not include any tax refunds received by a business
107 entity from a governmental entity. Gross receipts shall include any federal, state or local tax not
108 specifically excluded; (iv) not include any amount received from or charged to any business
109 entity that is a related entity to the taxpayer. Nor shall gross receipts include any grants received
110 from governmental entities or any gifts. Any gross receipts of a pass-through entity which is
111 subject to the gross receipts tax shall not also constitute gross receipts of any owner of that
112 entity.

113 Section 2. Except as otherwise provided in this chapter, there shall be an annual 0.25 per
114 cent tax on gross receipts of each business entity engaged in business in the commonwealth;
115 provided, however, that there shall be an exemption on the first \$50,000,000 of gross receipts
116 received by each such business entity. This tax shall be known as the homelessness prevention
117 and housing for all gross receipts tax and shall be referred to in this chapter as the "gross receipts
118 tax".

119 Section 3. A business entity subject to the gross receipts tax under section 2 shall file
120 returns at the same time and in the same manner as the income tax returns required to be filed by
121 such business entity under chapter 62 or 63, whichever is applicable.

122 Section 4. The commissioner may, in his or her reasonable discretion, establish or
123 reallocate gross receipts among related business entities so as to fairly reflect the gross receipts
124 of all such business entities.

125 Section 5. All gross receipts tax revenues received by the commonwealth shall be
126 deposited into the Homelessness Prevention and Housing For All Fund established by section
127 35DDD of chapter 10.

128 SECTION 3. This act shall take effect on January 1, 2022.