

HOUSE No. 4997

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, July 11, 2022.

The committee on Revenue to whom was referred a message from His Excellency the Governor recommending legislation relative to improving Massachusetts' competitiveness and reducing the cost of living (House, No. 4361), the petition (accompanied by bill, Senate, No. 1801) of Joseph A. Boncore for legislation to assess exemptions for property transfers, the petition (accompanied by bill, Senate, No. 1821) of Joanne M. Comerford, Michael J. Barrett, Tami L. Gouveia and Eric P. Lesser for legislation to improve the earned income credit for working families, the petition (accompanied by bill, Senate, No. 1824) of Cynthia Stone Creem for legislation to adjust the senior circuit breaker property valuation, the petition (accompanied by bill, Senate, No. 1835) of Julian Cyr for legislation to mitigate snowbird relocation, the petition (accompanied by bill, Senate, No. 1841) of Sal N. DiDomenico, Diana DiZoglio and Maria Duaime Robinson for legislation to increase family stabilization through the earned income tax credit, the petition (accompanied by bill, Senate, No. 1842) of Diana DiZoglio for legislation relative to the operation of a program to support organizations providing tax assistance services to individuals and families qualifying for the Volunteer Income Tax Assistance Program, the petition (accompanied by bill, Senate, No. 1847) of Diana DiZoglio, Paul F. Tucker, Joan B. Lovely and Tackey Chan for legislation relative to Massachusetts estate tax exemption parity, the petition (accompanied by bill, Senate, No. 1852) of James B. Eldridge, Erika Uyterhoeven, Jason M. Lewis, Joan B. Lovely and other members of the General Court for legislation to improve the earned income credit for healthier families, the petition (accompanied by bill, Senate, No. 1884) of Patricia D. Jehlen for legislation relative to the estate tax, the petition (accompanied by bill, Senate, No. 1889) of William J. Banks for legislation relative to the senior circuit breaker tax credit, the petition (accompanied by bill, Senate, No. 1911) of Jason M. Lewis for legislation relative to the Massachusetts estate tax code, the petition (accompanied by bill, Senate, No. 1942) of Patrick M. O'Connor for legislation to abolish

the death tax, the petition (accompanied by bill, House, No. 2843) of Tackey Chan and others for legislation relative to the senior circuit breaker tax credit, the petition (accompanied by bill, House, No. 2866) of Linda Dean Campbell, Natalie M. Blais and Lindsay N. Sabadosa for legislation to support voluntary income tax assistance sites and expand access to the earned income tax credit, the petition (accompanied by bill, House, No. 2871) of Marjorie C. Decker, Andres X. Vargas and others relative to the earned income tax credit, the petition (accompanied by bill, House, No. 2881) of Shawn Dooley and others relative to the estate tax code of the Commonwealth, the petition (accompanied by bill, House, No. 2893) of Dylan A. Fernandes and Sarah K. Peake that the Department of Revenue be authorized to develop an updated rate table for calculation of the estate tax, the petition (accompanied by bill, House, No. 2984) of Kate Lipper-Garabedian relative to the amount of the deduction on taxable income for rent, the petition (accompanied by bill, House, No. 2990) of Jay D. Livingstone and Carlos González relative to the estate tax, the petition (accompanied by bill, House, No. 3038) of Smitty Pignatelli, Paul A. Schmid, III and others relative to the Massachusetts estate tax, the petition (accompanied by bill, House, No. 3057) of Adam J. Scanlon and others relative to the senior circuit breaker tax credit, the petition (accompanied by bill, House, No. 3062) of Todd M. Smola relative to the Massachusetts estate tax, the petition (accompanied by bill, House, No. 3085) of Erika Uyterhoeven relative to tax rates on generational wealth, the petition (accompanied by bill, House, No. 3801) of David F. DeCoste relative to the estate tax, and the petition (accompanied by bill, House, No. 4306) of Rob Consalvo relative to the income tax deduction for renters, reports recommending that the accompanying bill (House, No. 4997) ought to pass.

For the committee,

MARK J. CUSACK.

HOUSE No. 4997

The Commonwealth of Massachusetts

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

An Act to improve Massachusetts' competitiveness and reduce the cost of living.

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. Subparagraph (9) of paragraph (a) of part B of section 3 of chapter 62 of the
2 General Laws, as appearing in the 2020 Official Edition, is hereby amended by striking out, in
3 line 109, the figure “3,000” and inserting in place thereof the following figure:- 5,000.

4 SECTION 2. Paragraph (1) of subsection (a) of section 5 of said chapter 62, as so
5 appearing, is hereby amended by striking out, in line 6, the words “eight thousand dollars” and
6 inserting in place thereof the following figure:- \$12,550.

7 SECTION 3. Said subsection (a) of said section 5 of said chapter 62, as so appearing, is
8 hereby amended by striking out paragraph (2) and inserting in place thereof the following 2
9 paragraphs:-

10 (2) in the case of a husband and wife filing a joint return, \$25,100, or

11 (3) in the case of a person filing as head of household, \$18,800.

12 SECTION 4. Paragraph (2) of subsection (k) of section 6 of said chapter 62, as so
13 appearing, is hereby amended by striking out, in line 447, the figure “750” and inserting in place
14 thereof the following figure:- 1,755.

15 SECTION 5. Subsection (x) of said section 6 of said chapter 62, as most recently
16 amended by section 31 of chapter 102 of the acts of 2021, is hereby further amended by striking
17 out the figure “240” and inserting in place thereof the following figure:- 480.

18 SECTION 6. Said subsection (x) of said section 6 of said chapter 62, as so amended, is
19 hereby further amended by striking out the figure “480” and inserting in place thereof the
20 following figure:- 960.

21 SECTION 7. Subsection (y) of said section 6 of said chapter 62, as most recently
22 amended by section 33 of said chapter 102, is hereby further amended by striking out the figure
23 “180” and inserting in place thereof the following figure:- 360.

24 SECTION 8. Said subsection (y) of said section 6 of said chapter 62, as so amended, is
25 hereby further amended by striking out the figure “360” and inserting in place thereof the
26 following figure:- 720.

27 SECTION 9. Subsection (a) of section 6 of chapter 62C of the General Laws, as
28 appearing in the 2020 Official Edition, is hereby amended by striking out, each time it appears,
29 in line 4, lines 6 to 7 and line 17, the words “eight thousand dollars” and inserting in place
30 thereof, in each instance, the following words:- the thresholds specified in subsection (a) of
31 section five of chapter sixty-two.

32 SECTION 10. Section 2A of chapter 65C of the General Laws, as so appearing, is hereby
33 amended by striking out subsection (a) and inserting in place the following subsection:-

34 (a) A tax is hereby imposed upon the transfer of the estate of each person dying on or
35 after January 1, 1997 who, at the time of death, was a resident of the commonwealth. The
36 amount of the tax shall be equal to the credit for state death taxes that would have been allowable
37 to a decedent's estate as computed under Code section 2011, as in effect on December 31, 2000,
38 hereinafter referred to as the "credit". In the event that the federal gross estate of a person
39 includes real or tangible personal property located outside of Massachusetts at the time of death,
40 the tax shall be reduced by an amount equal to the proportion of such allowable credit as the
41 value of said real or tangible personal property located outside of Massachusetts bears to the
42 value of the entire federal gross estate wherever situated, as determined under Code section
43 2011, as in effect on December 31, 2000.

44 SECTION 11. Said section 2A of said chapter 65C, as so appearing, is hereby further
45 amended by adding the following subsection:-

46 (f) Effective for the estates of decedents dying on or after July 1, 2022, for purposes of
47 computing the tax imposed by subsections (a) and (b), the credit shall be determined based on
48 the value of the federal taxable estate after such estate is reduced by \$2,000,000. Estates of
49 decedents dying on or after July 1, 2022 are not required to pay any tax under subsections (a) and
50 (b) if the value of the federal taxable estate is \$2,000,000 or less. For purposes of this subsection,
51 the federal taxable estate is the federal gross estate less any Qualified Conservation Exclusion
52 elected under Code section 2031(c), as in effect on December 31, 2000, and further reduced by
53 the deductions allowable by the Code, as in effect on December 31, 2000.

54 SECTION 12. Sections 10 and 11 shall take effect for the estates of decedents dying on
55 or after July 1, 2022.

56 SECTION 13. Except as otherwise specified, this act shall take effect for taxable years
57 beginning on or after January 1, 2022.