SENATE DOCKET, NO. 173 FILED ON: 1/20/2021

SENATE . . . . . No. 1812

The Commonwealth of Massachusetts

PRESENTED BY:

Sonia Chang-Diaz

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 to close corporate tax loopholes and create progressive revenue.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
Sonia Chang-Diaz	*Second Suffolk*	
Jack Patrick Lewis	*7th Middlesex*	*2/9/2021*
Mike Connolly	*26th Middlesex*	*2/9/2021*
Jason M. Lewis	*Fifth Middlesex*	*2/9/2021*
James B. Eldridge	*Middlesex and Worcester*	*2/9/2021*
Maria Duaime Robinson	*6th Middlesex*	*2/9/2021*
Thomas M. Stanley	*9th Middlesex*	*2/9/2021*
Peter Capano	*11th Essex*	*2/9/2021*
Christopher Hendricks	*11th Bristol*	*2/10/2021*
Carol A. Doherty	*3rd Bristol*	*2/24/2021*
Brian W. Murray	*10th Worcester*	*2/24/2021*
Michael D. Brady	*Second Plymouth and Bristol*	*2/24/2021*
Patricia D. Jehlen	*Second Middlesex*	*3/1/2021*
Antonio F. D. Cabral	*13th Bristol*	*3/1/2021*
Carmine Lawrence Gentile	*13th Middlesex*	*3/1/2021*
Michael J. Barrett	*Third Middlesex*	*3/1/2021*
Vanna Howard	*17th Middlesex*	*3/1/2021*
David Henry Argosky LeBoeuf	*17th Worcester*	*3/1/2021*

Erika Uyterhoeven	*27th Middlesex*	*3/1/2021*
Joanne M. Comerford	*Hampshire, Franklin and Worcester*	*3/4/2021*
Joan B. Lovely	*Second Essex*	*3/4/2021*
Patrick M. O'Connor	*Plymouth and Norfolk*	*4/1/2021*
Sal N. DiDomenico	*Middlesex and Suffolk*	*4/1/2021*
Julian Cyr	*Cape and Islands*	*4/1/2021*
Mary S. Keefe	*15th Worcester*	*4/7/2021*
Rebecca L. Rausch	*Norfolk, Bristol and Middlesex*	*4/22/2021*
Tami L. Gouveia	*14th Middlesex*	*4/22/2021*
Paul R. Feeney	*Bristol and Norfolk*	*6/14/2021*

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By Ms. Chang-Diaz, a petition (accompanied by bill, Senate, No. 1812) of Sonia Chang-Diaz, Jack Patrick Lewis, Mike Connolly, Jason M. Lewis and other members of the General Court for legislation to close corporate tax loopholes and create progressive revenue. Revenue.

The Commonwealth of Massachusetts

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

An Act to close corporate tax loopholes and create progressive revenue.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Subsection (e) of Section 1 of Chapter 62 of the General Laws, as most recently amended by chapter 273 of the Acts of 2018, is hereby further amended by striking the second sentence and replacing it with the following: - “Amounts included in federal gross income pursuant to section 951 of the Code shall be treated as dividends under this chapter; provided that amounts included in federal gross income pursuant to section 951A of the Code shall not be treated as dividends.”

SECTION 2. Subsection (a) of Part B. of Section 3 of said Chapter 62 of the General Laws is hereby further amended by inserting at the end thereof the following: - “(20) An amount equal to fifty percent of amounts included in federal gross income pursuant to section 951A of the Code.”

SECTION 3. The definition of “Net income” in Section 1 of Chapter 63 of the General Laws, as most recently amended by chapter 273 of the Acts of 2018, is hereby further amended

by striking the sixth sentence and replacing it with the following: - “For purposes of this definition, amounts included in federal gross income pursuant to section 951 of the Code shall be treated as dividends; provided that amounts included in federal gross income pursuant to section 951A of the Code shall not be treated as dividends.”

SECTION 4. The definition of “Net income” in Section 1 of Chapter 63 of the General Laws, as most recently amended by chapter 273 of the Acts of 2018, is hereby further amended by striking subsection (g) and replacing it with the following: - “(g) the deductions allowed by sections 245A, 250(a)(1)(A), and 965(c) of the Code.”

SECTION 5. Section 2A of said chapter 63, as so amended, is hereby further amended by striking subsection (h) and replacing it with the following: - “(h) For purposes of this section, dividends that are deemed to be received from an entity, including amounts included in federal gross income pursuant to section 951 of the Code, shall not be considered receipts, and amounts included in federal gross income pursuant to section 951A of the Code also shall not be considered receipts.”

SECTION 6. Paragraph 4 of Section 30 of said chapter 63, as so amended, is hereby further amended by striking the fourth sentence and replacing it with the following: - “For purposes of this section and subsection (a) of section 38, amounts included in federal gross income pursuant to section 951 of the Code shall be treated as dividends; provided that amounts included in federal gross income pursuant to section 951A of the Code shall not be treated as dividends.”

SECTION 7. Said Paragraph 4 of Section 30 of said chapter 63, as so amended, is hereby further amended by striking clause (viii) and replacing it with the following: - “(viii) the deductions allowed by sections 245A, 250(a)(1)(A), and 965(c) of the Code.”

SECTION 8. Section 38 of said chapter 63, as so amended, is hereby further amended by inserting, after the word “dividends” in the first sentence of the second paragraph of subsection (f) the following: - “, amounts included in federal gross income pursuant to section 951A of the Code,”

SECTION 9. The provisions of this act shall apply to all tax years beginning on or after January 1, 2021.