

**SENATE . . . . . No. 1812**

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

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

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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.

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**The Commonwealth of Massachusetts**

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

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

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

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

13 by striking the sixth sentence and replacing it with the following: - “For purposes of this  
14 definition, amounts included in federal gross income pursuant to section 951 of the Code shall be  
15 treated as dividends; provided that amounts included in federal gross income pursuant to section  
16 951A of the Code shall not be treated as dividends.”

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

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

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

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

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

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