

**SENATE . . . . . No. 1811**

---

**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 invest in our communities.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Sonia Chang-Diaz</i>	<i>Second Suffolk</i>	
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>5/12/2021</i>

**SENATE . . . . . No. 1811**

---

By Ms. Chang-Diaz, a petition (accompanied by bill, Senate, No. 1811) of Sonia Chang-Diaz for legislation to invest in our communities and tax exemptions. Revenue.

---

[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE SENATE, NO. 1608 OF 2019-2020.]

**The Commonwealth of Massachusetts**

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

An Act to invest in our communities.

*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. Section 3 of chapter 62 of the General Laws, as appearing in the 2018  
2 Official Edition, is hereby amended by striking out subsection B(b)(1)(A) and inserting in place  
3 thereof the following:-

4           A personal exemption of \$7,900 for tax years beginning on or after January 1, 2022.

5           Section 3 of chapter 62 of the General Laws, as so appearing, is hereby further amended  
6 by striking out subsection B(b)(1A)(A) and inserting in place thereof the following:-

7           A personal exemption of \$10,300 for tax years beginning on or after January 1, 2022.

8           Section 3 of chapter 62 of the General Laws, as so appearing, is hereby further amended  
9 by striking out subsection B(b)(2)(A) and inserting in place thereof the following:-

10 A personal exemption of \$15,800 for tax years beginning on or after January 1, 2022.

11 Section 3 of chapter 62 of the General Laws, as so appearing, is hereby further amended  
12 by inserting at the end thereof the following:-

13 (D) In determining the Part A and Part C taxable income of persons who are 65 or older,  
14 or who are disabled, an exemption shall be allowed upon the sum of the Part A and Part C  
15 adjusted gross income of such persons in an amount equal to the lesser of \$2500 and one third of  
16 the sum of such Part A and Part C income for a single person, or a married person filing a  
17 separate return, whose total federal adjusted gross income is less than \$40,000, and in an amount  
18 equal to the lesser of \$5000 and one third of the sum of the Part A and Part C income for a  
19 married couple filing a joint return whose total federal adjusted gross income is less than  
20 \$80,000, provided, however, that if only one spouse is 65 or older or is disabled, the exemption  
21 shall not exceed \$2,500.

22 SECTION 2. Section 4 of chapter 62 of the General Laws, as so appearing, is hereby  
23 amended by striking out subsection (a)(1) and inserting in place thereof the following:-

24 (a)(1) Part A taxable income consisting of capital gains shall be taxed at the rate of 8.95  
25 per cent for tax years beginning on or after January 1, 2022.

26 Section 4 of chapter 62 of the General Laws, as so appearing, is hereby further amended  
27 by striking out subsection (a)(2) and inserting in place thereof the following:-

28 (a)(2) Part A taxable income consisting of interest and dividends shall be taxed at the rate  
29 of 8.95 per cent for tax years beginning on or after January 1, 2022.

30 Section 4 of chapter 62 of the General Laws, as so appearing, is hereby further amended  
31 by striking out subsection (b) and inserting in place thereof the following:-

32 (b) Part B taxable income shall be taxed at the rate of 5.95 per cent for tax years  
33 beginning on or after January 1, 2022.

34 Section 4 of chapter 62 of the General Laws, as so appearing, is hereby further amended  
35 by striking out subsection (c) and inserting in place thereof the following:-

36 (c) Part C taxable income shall be taxed at the rate of 8.95 per cent for tax years  
37 beginning on or after January 1, 2022, excepting Part C taxable income derived from the sale of  
38 investments which: (1) are in a corporation which is domiciled in the commonwealth with a date  
39 of incorporation on or after January 1, 2011 which has less than \$50 million in assets at the time  
40 of investment and complies with subsections (e)(1), (e)(2), (e)(5), and (e)(6) of Section 1202 of  
41 the Internal Revenue Service Code; and (2) are held for 3 years or more, which shall be taxed at  
42 a rate of 3 per cent; provided, however, that in order to qualify for the 3 per cent rate, such  
43 investments shall be made within 5 years of the date of incorporation and, to the extent  
44 consistent with the provisions of this subsection, shall be in stock in a corporation that satisfies  
45 the requirements for treatment as “qualified small business stock” under section 1202 ( c) of the  
46 federal Internal Revenue Code, without regard to the requirement that the corporation be a C  
47 corporation.