

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

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Nick Collins*

*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 preserve main street by enhancing remote retailer sales tax compliance.

PETITION OF:

NAME:

*Nick Collins*

DISTRICT/ADDRESS:

*First Suffolk*

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

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By Mr. Collins, a petition (accompanied by bill) (subject to Joint Rule 12) of Nick Collins for legislation to preserve main street by enhancing remote retailer sales tax compliance. Revenue.

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**The Commonwealth of Massachusetts**

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

An Act to preserve main street by enhancing remote retailer sales tax compliance.

*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 62C is hereby further amended by inserting after section 16B the  
2 following section:-

3           Section 16C. (a) As used in this section, the following words shall have the following  
4 meanings unless the context clearly requires otherwise:-

5           "Third party payment processor", any person or entity engaged in the business of  
6 collecting, acquiring or receiving, or remitting payments to vendors or operators under chapters  
7 64G, 64H, 64I, 64L or 64N, in association with credit card, debit card or similar payment  
8 arrangements that compensate the vendor or operator in transactions subject to the excise under  
9 said chapters.

10           "Vendor or operator", all remote retailers and remote marketplace facilitators that are  
11 obliged to file a return under section 16; provided that, that this section shall not apply to  
12 operators whose cumulative room occupancy excise liability in the immediately preceding

13 calendar year with respect to returns filed under said subsection (g) of said section 16 is not more  
14 than \$150,000; provided further, that this section shall not apply to vendors whose cumulative  
15 sales tax liability in the immediately preceding calendar year with respect to returns filed under  
16 said subsection (h) of said section 16 is not more than \$150,000; and provided further, that this  
17 section shall not apply to a materialman who files a return with the commissioner pursuant to  
18 said subsection (h) of said section 16.

19 (b) Any time a vendor or operator receives a payment from or through a third party  
20 payment processor, an amount or percentage of said payment, to be determined by the  
21 commissioner, shall be bifurcated and separately identified, collected and withheld by said third  
22 party payment processor in association with the excise under said chapters 64G, 64H, 64I, 64L,  
23 or 64N for which payments are received. Such separate identification shall be conducted in a  
24 manner approved by the commissioner, taking into account established industry practices to the  
25 extent practicable.

26 (c) A third party payment processor upon collecting and remitting the funds from a  
27 processed payment to a vendor or operator, shall bifurcate, collect and withhold the identified  
28 amount or percentage of such payment and remit it unaltered to the department, at substantially  
29 the same time that any non-tax balance amount is paid to the vendor or operator.

30 (d) A third party payment processor shall report total payments made to the  
31 commissioner on a monthly return, in a manner provided by the commissioner, which return  
32 shall identify each vendor or operator to whom payments were made during the month and the  
33 amount of tax paid to the commissioner during the month in association with transactions with  
34 each such vendor or operator during that period.

35 (e) A third party payment processor shall report to each vendor or operator on a monthly  
36 basis, in a manner provided by the commissioner, the total tax remitted to the commissioner with  
37 respect to transactions of the particular vendor or operator during the monthly period.

38 (f) Tax amounts paid to the commissioner by a third party payment processor in  
39 association with the processing of transactions of a particular vendor or operator during the  
40 month shall be available as a credit to the vendor or operator in the filing of returns showing tax  
41 due under chapters 64G, 64H, 64I, 64L or 64N, as applicable.

42 SECTION 2. There shall be established and set up on the books of the commonwealth a  
43 Main Street Massachusetts Recovery and Development Fund which shall receive 50 per cent of  
44 the revenue collected under section 16C of chapter 62C of the General Laws. The secretary of  
45 housing and economic development shall be the trustee of the fund and shall use the funds for  
46 grants to assist small businesses in the commonwealth with annual reported gross sales below  
47 \$10,000,000.

48 SECTION 3. Sections 1 and 2 shall take effect on November 1, 2021.