

**HOUSE . . . . . No. 2769**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Kip A. Diggs*

*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 promote employee ownership.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Kip A. Diggs</i>	<i>2nd Barnstable</i>	<i>1/20/2023</i>

**HOUSE . . . . . No. 2769**

By Representative Diggs of Barnstable, a petition (accompanied by bill, House, No. 2769) of Kip A. Diggs relative to the taxation of certain business corporations sponsoring employee stock ownership plans. Revenue.

**The Commonwealth of Massachusetts**

**In the One Hundred and Ninety-Third General Court  
(2023-2024)**

An Act to promote employee ownership.

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

1 Chapter 63 of the General Laws, as appearing in the 2020 Official Edition, is hereby  
2 amended by inserting, after section 38FF, the following new section:-

3 Section 38GG. In determining the net income subject to tax under this chapter, a business  
4 corporation may deduct an amount equal to its earnings from capital gains from the sale of  
5 employer securities of a non-publicly traded business with fewer than 500 employees to an  
6 employee stock ownership plan, as defined in chapter 23D, that owns no less than 49 per cent of  
7 all outstanding employer securities issued by the business; provided, however, that the business  
8 corporation must be the sponsor of the employee stock ownership plan.