

SENATE No. 135

The Commonwealth of Massachusetts

PRESENTED BY:

Joan B. Lovely

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 encouraging the growth of small businesses.

PETITION OF:

NAME:

Joan B. Lovely

DISTRICT/ADDRESS:

Second Essex

SENATE No. 135

By Ms. Lovely, a petition (accompanied by bill, Senate, No. 135) of Joan B. Lovely for legislation to encourage the growth of small businesses. Community Development and Small Businesses.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 153 OF 2021-2022.]

The Commonwealth of Massachusetts

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

An Act encouraging the growth of small businesses.

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

1 The General Laws, as appearing in the 2020 Official Edition, is hereby amended by
2 inserting after chapter 93L the following new chapter:-

3 Chapter 93M, Bona Fide Business Entities

4 Section 1. A business entity that provides services under a written contract is not an
5 employee for the purposes of Title IX, Taxation, and Title XXI, Labor and Industries, provided
6 that the business entity is bona fide. A business entity will be deemed to be bona fide if it is
7 shown that:

8 (a) The business entity is registered as such with the secretary of the commonwealth and
9 is in good standing;

10 (b) The business entity includes the compensation it receives for the services it renders on
11 federal and applicable state tax schedules as income from an independent business or profession;

12 (c) The business entity reports the compensation paid to its employees, if any, to the
13 Internal Revenue Service and the Massachusetts department of revenue; and

14 (d) The business entity complies with federal and state tax, unemployment insurance,
15 workers' compensation insurance, and labor and employment law obligations with respect to its
16 employees.