

**SENATE . . . . . No. 1826**

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**The Commonwealth of Massachusetts**

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PRESENTED BY:

***Barry R. Finegold***

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*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 relative to economic development initiatives.

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PETITION OF:

NAME:

*Barry R. Finegold*

DISTRICT/ADDRESS:

*Second Essex and Middlesex*

**SENATE . . . . . No. 1826**

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By Mr. Finegold, a petition (accompanied by bill, Senate, No. 1826) of Barry R. Finegold for legislation relative to economic development initiatives. Revenue.

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**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninety-Third General Court  
(2023-2024)**  
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An Act relative to economic development initiatives.

*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. Paragraph (1) of subsection (a) of section 4 of chapter 62 of the General  
2   Laws, as appearing in the 2020 Official Edition, is hereby amended by inserting, in line 5, after  
3   the word “cent”, the following words:-

4                   ; provided, however, that any gain from the sale or exchange of capital assets held for 1  
5   year or less shall be taxed at the rate of 5 per cent.

6           SECTION 2. Section 38M of chapter 63 of the General Laws, as so appearing, is hereby  
7   amended by striking out subsection (e) and inserting in place thereof the following:-

8                   (e)(1) If a corporation is not an eligible semiconductor company, the credit allowed under  
9   this section shall be limited to 100 per cent of a corporation's first \$25,000 of excise, as  
10   determined before the allowance of any credits, plus 75 per cent of the corporation's excise, as so  
11   determined in excess of \$25,000.

12 (2) If a corporation is an eligible semiconductor company, the credit allowed under this  
13 section shall be limited to 100 per cent of a corporation's first \$25,000 of excise, as determined  
14 before the allowance of any credits, plus 95 per cent of the corporation's excise, as so determined  
15 in excess of \$25,000.

16 (3) The commissioner shall promulgate regulations similar to those authorized under  
17 subsection (c)(2)(B) of section 38 of said Code for the purposes of apportioning the \$25,000  
18 amount among members of a controlled group. Nothing in this section shall alter section 32C as  
19 it affects other credits under this chapter.

20 SECTION 3. Said section 38M of said chapter 63, as so appearing, is hereby further  
21 amended in paragraph (1) of subsection (k) by inserting before the definition of "life sciences"  
22 the following definition:-

23 "Eligible semiconductor company", a corporation: (i) the primary business activity of  
24 which involves conducting research on, developing or manufacturing semiconductor devices,  
25 microprocessors, memory chips or other similar products or the production equipment that is  
26 used to manufacture such devices, microprocessors, chips or products; and (ii) that establishes a  
27 new physical facility in the commonwealth or expands an existing physical facility in the  
28 commonwealth not later than 3 years after the effective date of this section; provided, however,  
29 that such establishment or expansion creates 15 net new jobs in the commonwealth and the  
30 company commits to retaining such jobs through December 31, 2029 at the earliest; and  
31 provided further, that the physical facility is primarily related to researching, developing or  
32 manufacturing semiconductor devices, microprocessors, memory chips or other similar products

33 or the production equipment that is used to manufacture such devices, microprocessors, chips or  
34 products.

35 SECTION 4. Not later than eight months after the effective date of this act, the  
36 commissioner of revenue shall issue new regulations to carry out the purposes of section 38M of  
37 the General Laws.