

SENATE No. 1925

The Commonwealth of Massachusetts

PRESENTED BY:

Rebecca L. Rausch

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 close corporate tax loopholes and create progressive revenue.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
Rebecca L. Rausch	Norfolk, Worcester and Middlesex	
Sal N. DiDomenico	Middlesex and Suffolk	1/30/2023
Jason M. Lewis	Fifth Middlesex	2/1/2023
Michael D. Brady	Second Plymouth and Norfolk	2/1/2023
Michael J. Barrett	Third Middlesex	2/1/2023
Mike Connolly	26th Middlesex	2/2/2023
Julian Cyr	Cape and Islands	2/6/2023
Liz Miranda	Second Suffolk	2/9/2023
James B. Eldridge	Middlesex and Worcester	2/10/2023
Patricia D. Jehlen	Second Middlesex	2/28/2023
Rita A. Mendes	11th Plymouth	4/11/2023

SENATE No. 1925

By Ms. Rausch, a petition (accompanied by bill, Senate, No. 1925) of Rebecca L. Rausch, Sal N. DiDomenico, Jason M. Lewis, Michael D. Brady and other members of the General Court for legislation to close corporate tax loopholes and create progressive revenue. Revenue.

The Commonwealth of Massachusetts

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

An Act to close corporate tax loopholes and create progressive revenue.

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 A. Subsection (e) of Section 1 of Chapter 62 of the General Laws, as most
2 recently amended by chapter 273 of the Acts of 2018, is hereby further amended by striking the
3 second sentence and replacing it with the following: -- Amounts included in federal gross income
4 pursuant to section 951 of the Code shall be treated as dividends under this chapter; provided that
5 amounts included in federal gross income pursuant to section 951A of the Code shall not be
6 treated as dividends.

7 SECTION B. Subsection (a) of Part B. of Section 3 of said Chapter 62 of the General
8 Laws is hereby further amended by inserting at the end thereof the following: -- (20) An amount
9 equal to fifty percent of amounts included in federal gross income pursuant to section 951A of
10 the Code.

11 SECTION C. The definition of “Net income” in Section 1 of Chapter 63 of the General
12 Laws, as most recently amended by chapter 273 of the Acts of 2018, is hereby further amended

13 by striking the sixth sentence and replacing it with the following: -- For purposes of this
14 definition, amounts included in federal gross income pursuant to section 951 of the Code shall be
15 treated as dividends; provided that amounts included in federal gross income pursuant to section
16 951A of the Code shall not be treated as dividends.

17 SECTION D. The definition of “Net income” in Section 1 of Chapter 63 of the General
18 Laws, as most recently amended by chapter 273 of the Acts of 2018, is hereby further amended
19 by striking subsection (g) and replacing it with the following: -- (g) the deductions allowed by
20 sections 245A, 250(a)(1)(A), and 965(c) of the Code.

21 SECTION E. Section 2A of said chapter 63, as so amended, is hereby further amended by
22 striking subsection (h) and replacing it with the following: -- (h) For purposes of this section,
23 dividends that are deemed to be received from an entity, including amounts included in federal
24 gross income pursuant to section 951 of the Code, shall not be considered receipts, and amounts
25 included in federal gross income pursuant to section 951A of the Code also shall not be
26 considered receipts.

27 SECTION F. Paragraph 4 of Section 30 of said chapter 63, as so amended, is hereby
28 further amended by striking the fourth sentence and replacing it with the following: -- For
29 purposes of this section and subsection (a) of section 38, amounts included in federal gross
30 income pursuant to section 951 of the Code shall be treated as dividends; provided that amounts
31 included in federal gross income pursuant to section 951A of the Code shall not be treated as
32 dividends.

33 SECTION G. Said Paragraph 4 of Section 30 of said chapter 63, as so amended, is
34 hereby further amended by striking clause (viii) and replacing it with the following: -- (viii) the
35 deductions allowed by sections 245A, 250(a)(1)(A), and 965(c) of the Code.

36 SECTION H. Section 38 of said chapter 63, as so amended, is hereby further amended
37 by inserting, after the word “dividends” in the first sentence of the second paragraph of
38 subsection (f) the following: -- , amounts included in federal gross income pursuant to section
39 951A of the Code.

40 SECTION I. The provisions of this act shall apply to all tax years beginning on or after
41 January 1, 2023.