

SENATE No. 967

The Commonwealth of Massachusetts

PRESENTED BY:

Paul R. Feeney

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 eradicating human trafficking and promoting transparency in the retail supply chain.

PETITION OF:

NAME:

Paul R. Feeney

DISTRICT/ADDRESS:

Bristol and Norfolk

SENATE No. 967

By Mr. Feeney, a petition (accompanied by bill, Senate, No. 967) of Paul R. Feeney for legislation to eradicate human trafficking and promoting transparency in the retail supply chain. The Judiciary.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 1031 OF 2021-2022.]

The Commonwealth of Massachusetts

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

An Act eradicating human trafficking and promoting transparency in the retail supply chain.

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 156D of the General Laws is hereby amended by inserting after
2 section 17.04 the following section:-

3 Section 17.05 Definitions:

4 (a) "Doing business in the commonwealth" shall mean actively engaging in any
5 transaction for the purpose of financial or pecuniary gain or profit;

6 (b) "Hedging transaction" shall mean a transaction related to the taxpayer's trading
7 function involving futures and options transactions for the purpose of hedging price risk of the
8 products or commodities consumed, produced, or sold by the taxpayer

9 (c) "Gross receipts" shall mean the gross amounts realized and the fair market value of
10 other property or services received on the sale or exchange of property, the performance of
11 services, or the use of property or capital, including rents, royalties, interest, and dividends, in a
12 transaction that produces business income, in which the income, gain, or loss is recognized, or
13 would be recognized if the transaction were in the United States, under the Internal Revenue
14 Code, as applicable for purposes of this section. Amounts realized on the sale or exchange of
15 property shall not be reduced by the cost of goods sold or the basis of property sold. Gross
16 receipts, even if business income, shall not include the following items:

17 (1) repayment, maturity, or redemption of the principal of a loan, bond, mutual fund,
18 certificate of deposit, or similar marketable instrument;

19 (2) the principal amount received under a repurchase agreement or other transaction
20 properly characterized as a loan;

21 (3) proceeds from issuance of the taxpayer's own stock or from sale of treasury stock;

22 (4) damages and other amounts received as the result of litigation;

23 (5) property acquired by an agent on behalf of another;

24 (6) tax refunds and other tax benefit recoveries;

25 (7) pension reversions;

26 (8) contributions to capital (except for sales of securities by securities dealers);

27 (9) income from discharge of indebtedness;

28 (10) amounts realized from exchanges of inventory that are not recognized under the
29 Internal Revenue Code;

30 (11) amounts received from transactions in intangible assets held in connection with a
31 treasury function of the taxpayer's unitary business and the gross receipts and overall net gains
32 from the maturity, redemption, sale, exchange, or other disposition of those intangible assets;

33 (12) amounts received from hedging transactions involving intangible assets;

34 (d) "Manufacturer" shall mean a business entity which lists manufacturing as its principal
35 business activity in the commonwealth of Massachusetts, as reported on the entity's
36 commonwealth business tax return;

37 (e) "Retail seller" shall mean a business entity which lists retail trade as its principal
38 business activity in the commonwealth of Massachusetts, as reported on the entity's
39 commonwealth business tax return.

40 SECTION 2. Chapter 156D of the General Laws is hereby amended by inserting after
41 section 17.05 the following section:-

42 Section 17.06 Retail Transparency

43 (a) Every retail seller and manufacturer doing business in the commonwealth and having
44 annual worldwide gross receipts that exceed one hundred million dollars shall disclose its efforts
45 to eradicate human trafficking from its direct supply chain for tangible goods offered for sale.

46 (b) Disclosures shall be posted on the retail seller's or manufacturer's internet website
47 with clear and easily understood link to the required information placed on the business'
48 homepage. In the event the retail seller or manufacturer does not have an internet website,

49 consumers shall be provided the written disclosure within thirty days of receiving a written
50 request for the disclosure from a consumer.

51 (c) The retailer shall disclose to what extent the retail seller or manufacturer does each of
52 the following:

53 (1) engages in verification of product supply chains to evaluate and address risks of
54 human trafficking, such disclosure shall specify if the verification was not conducted by a third
55 party;

56 (2) conducts audits of suppliers to evaluate supplier compliance with 100 company
57 standards for human trafficking in supply chains, such disclosure shall specify if the verification
58 was not an independent, unannounced audit;

59 (3) requires direct suppliers to certify that materials incorporated into the product comply
60 with the laws regarding human trafficking of the country or countries in which they are doing
61 business;

62 (4) maintains internal accountability standards and procedures for employees or
63 contractors failing to meet company standards regarding human trafficking;

64 (5) provides company employees and management who have direct responsibility for
65 supply chain management training on human trafficking, particularly with respect to mitigating
66 risks within the supply chain of products;

67 (d) A violation of this section shall be an action brought by the attorney general for
68 injunctive relief.