

SENATE No. 1858

The Commonwealth of Massachusetts

PRESENTED BY:

Jason M. Lewis

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 excessive executive compensation.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>	
<i>Michael O. Moore</i>	<i>Second Worcester</i>	<i>2/15/2023</i>
<i>Patricia D. Jehlen</i>	<i>Second Middlesex</i>	<i>3/3/2023</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	<i>3/14/2023</i>

SENATE No. 1858

By Mr. Lewis, a petition (accompanied by bill, Senate, No. 1858) of Jason M. Lewis, Michael O. Moore and Patricia D. Jehlen for legislation relative to excessive executive compensation. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 1907 OF 2021-2022.]

The Commonwealth of Massachusetts

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

An Act relative to excessive executive compensation.

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. Section 1 of chapter 63 of the General Laws, as appearing in the 2020
2 Official Edition, is hereby amended by inserting after the definition of “compensation” the
3 following definition:-

4 “Compensation ratio” for a taxable year means a ratio where the numerator is the amount
5 equal to the greater of the compensation of the chief executive officer or the highest paid
6 employee of the business for the calendar year preceding the beginning of the taxable year and
7 the denominator is the amount equal to the median compensation of all employees employed by
8 the business, including all contracted employees under contract with the business, in the United
9 States for the calendar year preceding the beginning of the taxable year.

SECTION 2. Section 2 of said chapter 63 of the General Laws is hereby amended by inserting the following subsection:-

(e) Except as provided in (b) and (d), For taxable years beginning on or after January 1, 2025, the tax imposed under this section upon financial institutions whose compensation ratio exceeds 100, the sum of the of subsection (a) and an additional 2 per cent of the corporation's net income determined to be taxable in accordance with this chapter.

SECTION 3. Section 39 of said chapter 63 of the General Laws is hereby amended by inserting the following subsection:-

(c) For taxable years beginning on or after January 1, 2025, the tax imposed under this section upon a publicly held corporation, as defined in Section 162(m)(2) of the Internal Revenue Code, relating to publicly held corporation whose compensation ratio exceeds 100, the sum of the total excise levied in subsection (a) and an additional 2 per cent of the corporation's net income determined to be taxable in accordance with this chapter.