

HOUSE No. 3079

The Commonwealth of Massachusetts

PRESENTED BY:

Kip A. Diggs

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 promote employee ownership.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Kip A. Diggs</i>	<i>2nd Barnstable</i>	<i>1/14/2025</i>

HOUSE No. 3079

By Representative Diggs of Barnstable, a petition (accompanied by bill, House, No. 3079) of Kip A. Diggs relative to the taxation of certain business corporations sponsoring employee stock ownership plans. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 2769 OF 2023-2024.]

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Fourth General Court
(2025-2026)**

An Act to promote employee ownership.

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

1 Chapter 63 of the General Laws, as appearing in the 2020 Official Edition, is hereby
2 amended by inserting, after section 38FF, the following new section:-

3 Section 38GG. In determining the net income subject to tax under this chapter, a business
4 corporation may deduct an amount equal to its earnings from capital gains from the sale of
5 employer securities of a non-publicly traded business with fewer than 500 employees to an
6 employee stock ownership plan, as defined in chapter 23D, that owns no less than 49 per cent of
7 all outstanding employer securities issued by the business; provided, however, that the business
8 corporation must be the sponsor of the employee stock ownership plan.