

HOUSE No. 3281

The Commonwealth of Massachusetts

PRESENTED BY:

Jonathan D. Zlotnik

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 the taxation of inventory in manufacturing.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: | DATE ADDED: |
|----------------------------------|----------------------|------------------|
| <i>Jonathan D. Zlotnik</i> | <i>2nd Worcester</i> | <i>1/17/2025</i> |
| <i>Donald R. Berthiaume, Jr.</i> | <i>5th Worcester</i> | <i>2/7/2025</i> |
| <i>Susannah M. Whipps</i> | <i>2nd Franklin</i> | <i>2/10/2025</i> |
| <i>Kimberly N. Ferguson</i> | <i>1st Worcester</i> | <i>3/20/2025</i> |

HOUSE No. 3281

By Representative Zlotnik of Gardner, a petition (accompanied by bill, House, No. 3281) of Jonathan D. Zlotnik, Donald R. Berthiaume, Jr., and Susannah M. Whipps relative to the taxation of inventory in manufacturing. Revenue.

The Commonwealth of Massachusetts

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

An Act relative to the taxation of inventory in manufacturing.

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 7 of section 30 of chapter 63 of the General Laws, as appearing
2 in the 2012 Official Edition, is hereby amended by striking out the first sentence and inserting in
3 place thereof the following 2 sentences:- The value of tangible property taxable under subclause
4 (A) of clause (1) of subsection (a) of section 39, for a corporation, except for a manufacturing
5 corporation as defined in section 42B, shall be the book value of the corporation’s tangible
6 property situated in the commonwealth on the last day of the taxable year as is not subject to
7 local taxation nor taxable under section 67. The value of tangible property taxable under
8 subclause (B) of clause (1) of subsection (a) of section 39, for a manufacturing corporation, as
9 that term is defined in section 42B, shall be the book value of the manufacturing corporation’s
10 tangible property held as raw material for the purpose of manufacturing and situated in the
11 commonwealth on the last day of the taxable year as is not subject to local taxation nor taxable
12 under section 67.

13 SECTION 2. Subsection (a) of said chapter 63, as so appearing, is hereby amended by
14 striking out clause (1) and inserting in place thereof the following clause:-

15 (1) (A) In the case of a business corporation other than a manufacturing corporation, as
16 that term is defined in section 42B, \$2.60 per 1,000 upon the value of: (i) its tangible property as
17 determined to be taxable under paragraph 7 of section 30 if a tangible property corporation; or
18 (ii) its net worth as determined to be taxable under paragraph 8 of section 30 if an intangible
19 property corporation; or (B) in the case of a manufacturing corporation, as that term is defined in
20 section 42B: (i) for tax years beginning on or after January 1, 2026, \$2.00 per 1,000 upon the
21 value of its tangible property as determined to be taxable under paragraph 7 of section 30 if a
22 tangible property corporation; (ii) for tax years beginning on or after January 1, 2027, \$1.50 per
23 1,000 upon the value of its tangible property as determined to be taxable under paragraph 7 of
24 section 30 if a tangible property corporation; (iii) for tax years beginning on or after January 1,
25 2028, \$1.00 per 1,000 upon the value of its tangible property as determined to be taxable under
26 paragraph 7 of section 30 if a tangible property corporation; (iv) for tax years beginning on or
27 after January 1, 2029, \$0.50 per 1,000 upon the value of its tangible property as determined to be
28 taxable under paragraph 7 of section 30 if a tangible property corporation; (v) for tax years
29 beginning on or after January 1, 2030, \$0.00 per 1,000 upon the value of its tangible property as
30 determined to be taxable under paragraph 7 of section 30 if a tangible property corporation; and.

31 SECTION 3. Section 42B of said chapter 63, as so appearing, is hereby amended by
32 inserting after the word “corporation”, in line 11, the following words: - and except as set forth
33 in clause (1) of subsection (a) of said section 39.