

HOUSE No. 4219

The Commonwealth of Massachusetts

PRESENTED BY:

Michelle L. Ciccolo

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 establishing a transportation contribution from large employers.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Michelle L. Ciccolo</i>	<i>15th Middlesex</i>	<i>1/15/2025</i>

HOUSE No. 4219

By Representative Ciccolo of Lexington, a petition (accompanied by bill, House, No. 4219) of Michelle L. Ciccolo for legislation to establish a transportation excise tax for large employers. Revenue.

The Commonwealth of Massachusetts

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

An Act establishing a transportation contribution from large employers.

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. The General Laws are hereby amended by inserting after chapter 63B the
2 following chapter:-

3 CHAPTER 63D.

4 TRANSPORTATION EXCISE TAX FOR CORPORATIONS

5 Section 1. As used in this chapter, the following terms shall, unless the context clearly
6 appears otherwise, have the following meanings:

7 “Department”, the department of revenue.

8 “Disregarded entity”, an entity that is disregarded as a separate entity from its owner for
9 federal income tax purposes.

10 “Employee”, a person defined in clause (h) of section 1 of chapter 151A; provided that an
11 employee shall include a person who physically commutes to an employer’s location in
12 Massachusetts regardless of residence and a person who resides in Massachusetts and works for
13 an employer with a physical presence in Massachusetts.

14 “Employer”, a business corporation, non-governmental employer, partnership or
15 disregarded entity.

16 Section 2. Every employer shall pay, on account of each calendar year, the transportation
17 excise tax provided in this chapter.

18 Section 3. (a) An employer who annually employs 50-99 employees in the
19 commonwealth shall pay an excise tax amount equal to the product of (i) the ratio of the
20 employees of the employer to the total number of employees employed in the commonwealth
21 from the aggregate of all employers owing excise tax under this section, multiplied by (ii) the
22 total excise tax amount under this section.

23 (b) The total excise tax amount from all employers under subsection (a) shall be
24 \$8,000,000 such that employers in this category shall pay approximately \$25 per employee, per
25 year.

26 Section 4. (a) An employer who annually employs 100-149 employees in the
27 commonwealth shall pay an excise tax amount equal to the product of (i) the ratio of the
28 employees of the employer to the total number of employees employed in the commonwealth
29 from the aggregate of all employers owing excise tax under this section, multiplied by (ii) the
30 total excise tax amount under this section.

31 (b) The total excise tax amount from all employers under subsection (a) shall be
32 \$10,000,000; such that employers in this category shall pay approximately \$50 per employee, per
33 year.

34 Section 5. (a) An employer who annually employs 150-249 employees in the
35 commonwealth shall pay an excise tax amount equal to the product of (i) the ratio of the
36 employees of the employer to the total number of employees employed in the commonwealth
37 from the aggregate of all employers owing excise tax under this section, multiplied by (ii) the
38 total excise tax amount under this section.

39 (b) The total excise tax amount from all employers under subsection (a) shall be
40 \$17,000,000; such that employers in this category shall pay approximately \$75 per employee, per
41 year.

42 Section 6. (a) An employer who annually employs 250-499 employees in the
43 commonwealth shall pay an excise tax amount equal to the product of (i) the ratio of the
44 employees of the employer to the total number of employees employed in the commonwealth
45 from the aggregate of all employers owing excise tax under this section, multiplied by (ii) the
46 total excise tax amount under this section.

47 (b) The total excise tax amount from all employers under subsection (a) shall be
48 \$30,000,000; such that employers in this category shall pay approximately \$100 per employee,
49 per year.

50 Section 7. (a) An employer who annually employs 500-999 in the commonwealth shall
51 pay an excise tax amount equal to the product of (i) the ratio of the employees of the employer to
52 the total number of employees employed in the commonwealth from the aggregate of all

53 employers owing excise tax under this section, multiplied by (ii) the total excise tax amount
54 under this section.

55 (b) The total excise tax amount from all employers under subsection (a) shall be
56 \$34,000,000 such that employers in this category shall pay approximately \$125 per employee, per
57 year.

58 Section 8. (a) An employer who annually employs 1,000 or more employees in the
59 commonwealth shall pay an excise tax amount equal to the product of (i) the ratio of the
60 employees of the employer to the total number of employees employed in the commonwealth

61 from the aggregate of all employers owing excise tax under this section, multiplied by (ii)
62 the total excise tax amount under this section.

63 (b) The total excise tax amount from all employers under subsection (a) shall be
64 \$128,000,000; such that employers in this category shall pay approximately \$150 per employee,
65 per year.

66 Section 9. The total transportation excise tax assessment amount from all employers in
67 this chapter shall not exceed \$230,000,000 in 2026; provided, that in subsequent years such
68 maximum amount and each of the sub-categories in sections 3 to 8, inclusive, shall be adjusted
69 for inflation by multiplying that amount by the cumulative inflation rate as determined by the
70 United States Consumer Price Index for All Urban Consumers (CPI-U).

71 Section 10. Before October 1, 2026 the department, in consultation with the executive
72 office of labor and workforce development, shall establish each liability of an employer to pay
73 the excise tax. Annually thereafter, before October 1, the department shall establish each

74 employer's excise tax liability under sections 3 to 8, inclusive, adjusted for inflation by
75 multiplying that amount by the cumulative inflation rate as determined by the United States
76 Consumer Price Index for All Urban Consumers (CPI-U) Section 11. Each employer shall
77 remit the excise tax amount owed to the department in a form and manner determined by the
78 department. The department shall deposit all such amounts to the Commonwealth Transportation
79 Fund, established in section 2ZZZ of chapter 29, for financing transportation related purposes.

80 Section 12. The department, in consultation with the executive office of labor and
81 workforce development, shall establish by regulation the mechanism for administering the excise
82 tax payor's obligations under this chapter and shall deduct from an individual entity's liability
83 any regular annual payments said entity makes to or for in-state Massachusetts employees for
84 public transit subsidies.

85 Section 13. The department, in consultation with the executive office of labor and
86 workforce development, shall establish by regulation an appropriate mechanism for enforcing an
87 excise tax payor's liability to the Fund if an excise tax payor does not make a payment to the
88 Fund. Such enforcement mechanism may include assessment of interest on the unpaid liability at
89 a rate not to exceed an annual percentage rate of 18 per cent and late fees or penalties at a rate
90 not to exceed 5 per cent per month.

91 SECTION 2. The department of revenue shall promulgate regulations to implement this
92 act within 180 days of the passage of this act.

93 SECTION 3. Section 1 shall take effect 270 days after the passage of this act.