

HOUSE No. 3005

The Commonwealth of Massachusetts

PRESENTED BY:

James Arciero

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 municipal income-based taxation.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>James Arciero</i>	<i>2nd Middlesex</i>	<i>1/17/2025</i>
<i>Peter Barbella</i>		<i>1/17/2025</i>

HOUSE No. 3005

By Representative Arciero of Westford, a petition (accompanied by bill, House, No. 3005) of James Arciero and Peter Barbella relative to local taxes based on personal or business income instead of local real property taxes. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 4271 OF 2023-2024.]

The Commonwealth of Massachusetts

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

An Act relative to municipal income-based taxation.

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 59 of the General Laws is hereby amended by adding the following section:-

2 Section 95. (a) For the purposes of this section the following words shall, unless the
3 context clearly requires otherwise, have the following meanings:

4 “Commercial and industrial evaluation” or “CIE”, the sum total of income reported by
5 every business registered in a city or town on the appropriate Massachusetts state tax forms.

6 “Commercial and industrial levy” or “CIL”, the proportion determined by the city or
7 town the business is registered in of the tax levy rate imposed on business’ total income reported.

8 “Resident levy” or “RL”, the proportion determined by the city or town the resident is
9 legally residing in of the levy rate imposed on resident’s personal income.

10 “Total resident evaluation” or “TRE”, the sum total of personal income for every
11 individual legally residing in a city or town as reported on Massachusetts state tax form 1.

12 (b) Notwithstanding any general or special law to the contrary, if a city or town accepts
13 this section by a vote of its city or town council, town select board or board of selectmen, the city
14 or town may, in accordance with this section, assess local taxes based on personal or business
15 income instead of local real property taxes pursuant to section 2A.

16 (c) Under subsection (b), each city and town shall hold classification hearings to
17 determine the proportion of its tax levy requirements for RL and CIL respectively. The sum of
18 RL and CIL will equal the total amount the city or town must raise through local taxes.

19 (d) The city or town's income based tax rate for residents shall be calculated by dividing
20 the city or town's RL from its TRE.

21 (e) The city or town’s income based tax rate for businesses shall be calculated by
22 dividing the city or town's CIL from its CIE.

23 (f) The city or town shall levy taxes on its residents equal to the resident's personal
24 income multiplied by the income based residents tax rate.

25 (g) The town shall levy taxes on its businesses equal to the income based commercial and
26 industrial tax rate multiplied by the reported business income.