

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Michelle M. DuBois

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 creating a 'Chapter 62F calculations' study group of fiscal harms caused by excluding new local tax revenue from "allowable state tax revenue" calculations and other such calculations.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Michelle M. DuBois</i>	<i>10th Plymouth</i>	<i>1/17/2025</i>

HOUSE No.

[Pin Slip]

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 4078 OF 2023-2024.]

The Commonwealth of Massachusetts

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

An Act creating a 'Chapter 62F calculations' study group of fiscal harms caused by excluding new local tax revenue from "allowable state tax revenue" calculations and other such calculations.

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

1 (a) The commissioner of the department of revenue shall appoint and conduct a study
2 group of experts and interested parties to do the following:

3 (1) For each fiscal year since the effective date of chapter 62F of the General Laws,
4 conduct a review and evaluation of the factors for the calculation of state tax revenues and the
5 allowable state tax growth factor as defined in section 1 of said chapter 62F. This review shall
6 include:

7 (i) The amount of state tax revenues from excises that originate from each city or town
8 retail sales and use, meals, alcoholic beverages, tobacco and any other tax or excise whose
9 source of revenue is economic activity in a municipality;

10 (ii) Any issues regarding the inclusion revenues from taxes and fees, that are designated
11 for a specific legislative or constitutional purpose or function, in the calculation of excess state
12 tax revenues as defined in said section 1. Among other designated revenues, these include
13 unemployment insurance assessments and motor vehicle fuels excises.

14 (iii) The amount and source of each tax, surtax, receipt, penalty and other monetary
15 exaction and interest as defined in the term “state tax revenue” in said section 1 deposited into
16 the General Fund of the commonwealth.

17 (iv) For each tax, surtax, receipt, penalty and other monetary exaction and interest as
18 defined in the term “state tax revenue” in said section 1 whose revenue is not deposited into the
19 General Fund identify the specific fund each is deposited into.

20 (v) An analysis of the effect on the formula and factors used in chapter 62F regarding
21 factors such as increased inflation, increases in state and federal unemployment benefits and
22 changes in federal tax causing overstatement of excess state tax revenues and state tax growth
23 factors in chapter 62F.

24 (b) On or before June 30, 2026 the commissioner shall file a report with the clerks of the
25 house of representatives and the senate with the results of the study group’s review and
26 evaluation along with any recommendations for legislative action regarding Chapter 62F.