

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Mike Connolly

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 facilitating housing for all.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Mike Connolly</i>	<i>26th Middlesex</i>	<i>1/17/2025</i>

HOUSE No.

[Pin Slip]

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 2748 OF 2023-2024.]

The Commonwealth of Massachusetts

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

An Act facilitating housing for all.

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. Chapter 10 of the General Laws is hereby amended by inserting after
2 section 35SSS the following section:-

3 Section 35TTT. (a) There shall be established and set up on the books of the
4 commonwealth a separate fund to be known as the Housing First and Housing for All Fund,
5 hereafter referred to as the Fund. The Fund shall consist of all revenues, including all taxes,
6 penalties, interest and fees received by the commonwealth pursuant to chapter 63E. The state
7 treasurer shall be the custodian of the Fund and shall credit interest and earnings on the Fund to
8 the Fund. All amounts credited to the Fund shall be maintained separate and apart from all other
9 funds and shall be subject to appropriation. Any balance remaining in the Fund at the close of
10 any fiscal year shall be carried forward and accumulated in the Fund to be used in future fiscal
11 years for the purposes described in subsection (b).

12 (b) Monies in the Fund shall be appropriated on an annual or supplemental basis and used
13 exclusively for the following purposes:

14 (i) The administration or oversight of the housing first and housing for all gross receipts
15 tax, hereafter referred to as the "gross receipts tax", established under chapter 63E; the
16 administration and oversight of this Fund; and the administration of the annual reports required
17 in subsection (c); provided, however, that no more than 3 per cent of total annual revenue from
18 the gross receipts tax shall be expended for such purposes annually;

19 (ii) Refunds of any overpayments of the gross receipts tax, including any related
20 penalties, interests, and fees; and

21 (iii) The prevention and reduction of homelessness and the elimination of barriers to
22 quality affordable housing, including, but not limited to, programs that:

23 (A) help adults, families, or youth who are experiencing homelessness, including but not
24 limited to people who are experiencing homelessness and have mental health conditions or are
25 struggling with substance use, to permanently exit homelessness and secure permanent housing,
26 including through Housing First Programs and wraparound services.

27 (B) ensure that unhoused persons with barriers to housing, including but not limited to a
28 lack of identification and documentation, are able to access housing;

29 (C) provide rental subsidies for both short- and long-term rentals, including an expansion
30 of the Massachusetts Rental Voucher Program;

31 (D) support the construction, acquisition, rehabilitation, lease, preservation, and operation
32 of emergency, short-term and permanent housing units;

33 (E) provide onsite supportive services for formerly houseless adults, families, and youth;

34 (F) protect extremely low and very low-income households, especially households with
35 seniors, veterans or persons with disabilities;

36 (G) provide financial, utility or rental assistance, including but not limited to assistance to
37 address or cancel debts accrued during the COVID-19 state of emergency, as well as short-term
38 case management, conflict mediation, right to counsel or other legal representation in eviction
39 cases and cases in housing court, connections to public benefit agencies, housing search
40 assistance, small landlord technical assistance programs, and other support services and
41 programs relevant to ensuring guaranteed housing for all.

42 (H) provide mental and behavioral health services for unhoused individuals, including the
43 acquisition or leasing of facilities to provide such services;

44 (I) support public investments in community land trusts, publicly-owned housing, social
45 housing, deed-restricted affordable housing, limited equity cooperative housing, partnerships that
46 increase the availability of affordable housing, municipal affordable housing trust funds, and
47 programs that support the decommodification of housing, including but not limited to, the
48 servicing of debt incurred by capital expenditures related to the acquisition, development,
49 preservation, and rehabilitation of these types of housing.

50 (J) support down payment assistance and other programs for first-time and first-
51 generation homebuyers to help address multigenerational inequities in access to homeownership.

52 (c) Not later than February 15, 2027 and every year thereafter, the commissioner of
53 revenue shall report the amount remaining in the Fund from the previous fiscal year, an update of

54 revenues for the current fiscal year and the estimates of revenues to be credited to the Fund in the
55 subsequent fiscal year. The commissioner of revenue shall file this report with the secretary of
56 administration and finance, the secretary of housing and economic development, the chair of the
57 house committee on ways and means, the chair of the senate committee on ways and means, the
58 chairs of the joint committee on housing and the chairs of the joint committee on revenue.

59 Beginning in fiscal year 2028 and each fiscal year thereafter, the state auditor shall issue
60 a report on appropriations made from the Fund in the prior fiscal year. The auditor shall include
61 in the report, at a minimum, the percentage of total appropriations intended for housing and
62 housing support services drawn from the Fund as compared to appropriations for such purposes
63 not drawn from the fund. The report shall compare the latter to appropriations made for such
64 purposes in fiscal year 2026, which shall serve as the "base year". If non-Fund appropriations for
65 such purposes in the fiscal year for which the report is generated are significantly lower than the
66 base year, after taking into account inflation, the state auditor shall note the discrepancy.

67 The state auditor may audit any organization or agency receiving appropriations from the
68 Fund to ensure that the appropriations were used for their intended purpose. The state auditor
69 shall submit all audit reports regarding the Fund to the secretary of administration and finance,
70 the secretary of housing and economic development, the secretary of transportation, the chair of
71 the house committee on ways and means, the chair of the senate committee on ways and means,
72 the chairs of the joint committee on housing, and the chairs of the joint committee on revenue.

73 SECTION 2. The General Laws are hereby amended by adding the following chapter:-

74 CHAPTER 63E.

75 HOUSING FIRST AND HOUSING FOR ALL GROSS RECEIPTS TAX

76 Section 1. For the purposes of this chapter, the following terms shall, unless the context
77 clearly requires otherwise, have the following meanings:

78 "Business entity", any corporation, partnership, limited liability company, limited
79 liability partnership or other such pass-through entity, or any individual, association or trust
80 engaged in business in the commonwealth and subject to tax under chapters 62 or 63.

81 "Commissioner", the commissioner of revenue.

82 "Engaged in business in the commonwealth" shall have the same meaning as found in
83 section 1 of chapter 63; provided, however, that it shall be construed to include individuals
84 conducting such business activities as described in said section 1 of said chapter 63 but who are
85 taxed under chapter 62.

86 "Gross receipts", shall: (i) include the total amounts received or accrued by a business
87 entity from whatever source derived, including, but not limited to, amounts derived from sales,
88 services, dealings in property, interest, rent, royalties, dividends, licensing fees, other fees,
89 commissions and distributed amounts from other business entities. Except as otherwise
90 specifically provided in this chapter, gross receipts includes but is not limited to all amounts that
91 constitute gross income for federal income tax purposes. Except as otherwise specifically
92 provided in this chapter, gross receipts includes all receipts, cash, credits and property of any
93 kind or nature and including any amount for which credit is allowed by the seller to the
94 purchaser, without any deduction therefrom on account of the cost of the property sold, the cost
95 of materials used, labor or service costs, interest paid or payable, losses or any other expense
96 whatsoever, except that cash discounts allowed or taken on sales shall not be included as gross
97 receipts; (ii) with respect to any lease or rental, include payment for any services that are part of

98 the lease or rental, whether received in money or otherwise, that are paid to, on behalf of, or for
99 the benefit of, the lessor, and all receipts, cash, credits, property of any kind or character and the
100 fair market value of services so paid or rendered by the lessee; (iii) not include the amount of any
101 federal, state, or local tax imposed on or with respect to retail sales whether imposed upon the
102 retailer or upon the purchaser and regardless of whether the amount of tax is stated as a separate
103 charge, or such part of the sales price of any property previously sold and returned by the
104 purchaser to the seller which is refunded by the seller by way of cash or credit allowances given
105 or taken as part payment on any property so accepted for resale. Gross receipts shall also not
106 include any federal, state or local tax imposed upon a business entity for which that business
107 entity is reimbursed by means of a separately stated charge to a purchaser, lessee, licensee or
108 customer. Gross receipts shall not include any amount of third-party taxes that a taxpayer
109 collects from or on behalf of the taxpayer's customers and remits to the appropriate governmental
110 entity imposing such tax. Gross receipts shall not include any tax refunds received by a business
111 entity from a governmental entity. Gross receipts shall include any federal, state or local tax not
112 specifically excluded; (iv) not include any amount received from or charged to any business
113 entity that is a related entity to the taxpayer. Nor shall gross receipts include any grants received
114 from governmental entities or any gifts. Any gross receipts of a pass-through entity which is
115 subject to the gross receipts tax shall not also constitute gross receipts of any owner of that
116 entity.

117 Section 2. Except as otherwise provided in this chapter, there shall be an annual 0.25 per
118 cent tax on gross receipts of each business entity engaged in business in the commonwealth;
119 provided, however, that there shall be an exemption on the first \$50,000,000 of gross receipts

120 received by each such business entity. This tax shall be known as the housing first and housing
121 for all gross receipts tax and shall be referred to in this chapter as the "gross receipts tax".

122 Section 3. A business entity subject to the gross receipts tax under section 2 shall file
123 returns at the same time and in the same manner as the income tax returns required to be filed by
124 such business entity under chapter 62 or 63, whichever is applicable.

125 Section 4. The commissioner may, in his or her reasonable discretion, establish or
126 reallocate gross receipts among related business entities so as to fairly reflect the gross receipts
127 of all such business entities.

128 Section 5. All gross receipts tax revenues received by the commonwealth shall be
129 deposited into the Housing First and Housing for All Fund established by section 35TTT of
130 chapter 10.

131 SECTION 3. This act shall take effect on January 1, 2026.