

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Manny Cruz and Joan B. Lovely

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 local option sales tax.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Manny Cruz</i>	<i>7th Essex</i>	<i>1/13/2026</i>

HOUSE No.

[Pin Slip]

The Commonwealth of Massachusetts

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

An Act establishing a local option sales tax.

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 64H of the General Laws is hereby amended by inserting a new
2 section as follows:

3 2A. Local excise tax upon retail sales; distribution; effective date upon acceptance by
4 municipality; reports

5 Section 2A. (a) A city or town which accepts this section in the manner provided in
6 section 4 of chapter 4 may, in addition to the obligation to collect an excise tax as set forth in
7 Section 2 of this chapter, impose an additional excise upon retail sales by any vendor of tangible
8 personal property or of services performed at a rate not to exceed 5 per cent of the gross receipts
9 of the vendor from all such sales originating in the city or town, except as otherwise provided in
10 chapter 64H of the General Laws. The vendor shall pay the local sales tax imposed under this
11 section to the commissioner at the same time and in the same manner as the sales tax due to the
12 commonwealth under section 2.

(b) All sums received by the commissioner under this section shall, at least quarterly, be distributed, credited and paid by the state treasurer upon certification of the commissioner to each city or town that has accepted this section in proportion to the amount of the sums received from the sales of retail sales or service in that city or town. Any city or town seeking to dispute the commissioner's calculation of its distribution under this subsection shall notify the commissioner, in writing, not later than 1 year from the date the tax was distributed by the commissioner to the city or town.

20 (c) This section shall take effect in a municipality on the first day of the calendar quarter
21 following 30 days after its acceptance by the municipality or on the first day of a later calendar
22 quarter that the city or town may designate.

23 (d) Notwithstanding any provisions in section 21 of chapter 62C to the contrary, the
24 commissioner may make available to cities and towns any information necessary for
25 administration of the excise imposed by this section including, but not limited to, a report of the
26 amount of local option sales tax on retail sales collected in the aggregate by each city or town
27 under this section in the preceding fiscal year, and the identification of each individual vendor
28 collecting local option sales tax on retail sales collected under this chapter.

29 SECTION 2. This act shall take effect upon passage.