

HOUSE No.

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 relative to public benefit corporations.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Michelle L. Ciccolo</i>	<i>15th Middlesex</i>	<i>1/9/2025</i>

HOUSE No.

[Pin Slip]

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 4016 OF 2023-2024.]

The Commonwealth of Massachusetts

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

An Act relative to public benefit corporations.

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 63 of the General Laws is hereby amended by inserting after section 38NN the
2 following section:-

3 Section 38OO.

4 (a) For the purposes of this section the following word “Living wage” shall mean the
5 remuneration received for a standard workweek by a worker in the commonwealth sufficient to
6 afford a decent standard of living for the worker and their family as determined by the MIT
7 Living Wage Calculator. Elements of a decent standard of living include food, water, housing,
8 education, health care, transportation, clothing and other essential needs including provision for
9 unexpected events.

10 (b) A corporation that has elected to be a benefit corporation pursuant to chapter 156E
11 shall be allowed a preferential tax rate equal to the Commonwealth's corporate tax rate, minus
12 1.5% points for providing certain benefits to its employees if it meets the standards laid out in
13 section (c) and certified by the department of revenue pursuant to subsection (d).

14 (c) To be eligible for the tax rate benefit under this section a benefit corporation shall:

15 (1) offer at least 4 of the following 6 employee benefits:

16 (i) a living wage;

17 (ii) paid parental leave for 12 weeks following the birth or adoption of a child;

18 (iii) flexible spending accounts;

19 (iv) a chief executive officer-to-lowest paid employee compensation ratio of no greater
20 than 25:1; and

21 (v) the election of the benefit corporation to be governed as an employee cooperative
22 pursuant to chapter 157A;

23 (vi) profit sharing provisions that return at least 10% of the corporate profits to the
24 employees;

25 (2) receive certification from the department of revenue pursuant to subsection (d);

26 (3) offer at least 4 of the employee benefits listed in paragraph (1) for at least 12
27 consecutive months prior to and in the taxable year in which the tax rate benefit is claimed.

28 (d) The commissioner shall promulgate regulations to establish a certification process for
29 benefit corporations that offer 4 of the employee benefits listed in paragraph (1) of subsection
30 (c).

31 (f) The state secretary, in consultation with the commissioner, shall promulgate
32 regulations establishing an application process for determining eligibility for the preferential tax
33 rate.