SENATE DOCKET, NO. 2229 FILED ON: 1/17/2025

SENATE . . . . . No. 2005

The Commonwealth of Massachusetts

PRESENTED BY:

Barry R. Finegold

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 authorizing an excise tax credit for eligible semiconductor companies.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Barry R. Finegold	*Second Essex and Middlesex*

SENATE DOCKET, NO. 2229 FILED ON: 1/17/2025

SENATE . . . . . No. 2005

By Mr. Finegold, a petition (accompanied by bill, Senate, No. 2005) of Barry R. Finegold for legislation relative to economic development initiatives. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. *1826* OF 2023-2024.]

The Commonwealth of Massachusetts

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

An Act authorizing an excise tax credit for eligible semiconductor companies.

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

SECTION 1. Section 38M of chapter 63 of the General Laws, as appearing in the 2022 Official Edition, is hereby amended by striking out subsection (e) and inserting in place thereof the following:-

(e)(1) If a corporation is not an eligible semiconductor company, the credit allowed under this section shall be limited to 100 per cent of a corporation's first $25,000 of excise, as determined before the allowance of any credits, plus 75 per cent of the corporation's excise, as so determined in excess of $25,000.

(2) If a corporation is an eligible semiconductor company, the credit allowed under this section shall be limited to 100 per cent of a corporation's first $25,000 of excise, as determined

10 before the allowance of any credits, plus 95 per cent of the corporation's excise, as so determined
11 in excess of $25,000.

12 (3) The commissioner shall promulgate regulations similar to those authorized under
13 subsection (c)(2)(B) of section 38 of said Code for the purposes of apportioning the $25,000
14 amount among members of a controlled group. Nothing in this section shall alter section 32C as
15 it affects other credits under this chapter.

16 SECTION 2. Subsection (k) of said section 38M of said chapter 63, as amended by
17 section 197 of chapter 238 of the Acts of 2024, is hereby further amended in paragraph (1) by
18 inserting before the definition of "life sciences" the following definition:-

19 "Eligible semiconductor company", a corporation: (i) the primary business activity of
20 which involves conducting research on, developing or manufacturing semiconductor devices,
21 microprocessors, memory chips or other similar products or the production equipment that is
22 used to manufacture such devices, microprocessors, chips or products; and (ii) that establishes a
23 new physical facility in the commonwealth or expands an existing physical facility in the
24 commonwealth; provided, however, that such establishment or expansion creates 15 net new jobs
25 in the commonwealth and the company commits to retaining such jobs for not less than 5 years;
26 and provided further, that the physical facility is primarily related to researching, developing or
27 manufacturing semiconductor devices, microprocessors, memory chips or other similar products
28 or the production equipment that is used to manufacture such devices, microprocessors, chips or
29 products.

30 SECTION 3. Not later than 8 months after the effective date of this act, the commissioner
31 of revenue shall issue new regulations to carry out the purposes of subsection (e) of section 38M
32 of chapter 63 of the General Laws.