

COMMITTEE ON REVENUE ~ BILL SUMMARY

Bill Number: H.3066 (similar to H.3148, S.1943, S.2081)

Name: AN ACT INVESTING IN CLEAN TRANSPORTATION

Sponsor(s): Rep. Mark J. Cusack (Braintree)

Hearing Date: July 15, 2025

Reporting Date: September 13, 2025

Prior History: 2021-22 (H.2959 Rep. Jones): Reported favorably; Referred to HWM
2019-20 (H.2517 Rep. Jones): Reported favorably; Accompanied by S.1759, referred to HWM
2017-18 (H.1545 Rep. Jones): Reported favorably (accompanied a new draft, H.3916); Referred to HWM
2015-16 (H.2553 Rep. Jones): Ordered to House Study

CURRENT LAW:

M.G.L. c. 64H – Sales tax: The Massachusetts sales tax is 6.25% of the sales price or rental charge of tangible personal property or certain telecommunications sold or rented within Massachusetts, unless specifically exempted by statute. The purchaser pays sales tax to the vendor and the vendor remits the sales tax to DOR.

M.G.L. c. 64I § 2 – Use tax: Sales and use taxes are complementary elements of a unitary taxing program intended to reach all transactions, except those expressly exempted, in which tangible personal property is purchased inside *or outside* the commonwealth for storage, use, or other consumption *within the state*. The use tax is 6.25% of the sale or rental price.

M.G.L. c. 64I § 7(c) – Use tax exemptions: Purchasers may offset use tax liability by any amount previously paid as a qualifying sales or use tax to another jurisdiction.

830 CMR 64H.25.1(3)(a) – Motor Vehicles, Imposition of Sales and Use Tax: The use tax applies to transfers of title or possession of a motor vehicle where the vehicle transferred is ultimately stored or used in Massachusetts.

Regency Transportation, Inc. v. Commissioner of Revenue, Mass. App. Tax Bd, Docket No. C310361 (2014) – Massachusetts use tax on rolling stock (i.e. tractors and trailers) on out-of-state vehicles brought in state did not offend dormant commerce clause because 1) rolling stock had physical presence in state, 2) state offered credit against taxes already paid out-of-state, 3) use tax imposed at the same rate as sales tax and levied on residents and nonresidents alike, and 4) the tax was fairly related to services provided by state while rolling stock was in state.

PROPOSED CHANGE(S):

This amendment would amend Chapter 64H and Chapter 64I of the General Laws and create an exemption from the sales and use tax for the sale, use or storage of “rolling stock.” It defines “rolling stock” as “trucks, tractors, and trailers, used by common carriers to transport goods in interstate commerce.”