

## COMMITTEE ON REVENUE ~ BILL SUMMARY

**Bill Number:** H.3138  
**Name:** AN ACT RELATIVE TO A GREEN VENDOR TAX CREDIT  
**Sponsor(s):** Rep. Steven S. Howitt (Seekonk)  
**Hearing Date:** July 15, 2025  
**Reporting Date:** September 13, 2025  
**Prior History:** 2023-24 (H.2837): Ordered to a House Study  
2021-22 (H.2950): Ordered to a House Study

### CURRENT LAW:

*M.G.L. c. 63 – Credits:* Massachusetts offers credits against corporate excise tax liability for corporations and financial institutions who meet certain thresholds and eligibility requirements. A tax credit is a dollar-for-dollar reduction in taxes due.

*M.G.L. c. 64H/64I § 2 – Sales and use tax rates:*

- **Sales tax:** *M.G.L. c. 64H § 2 – 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.
- **Use tax:** *M.G.L. c. 64I § 2 – Use tax:* *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.

### PROPOSED CHANGE(S):

This bill creates a sales and use tax credit for “Certified Green Restaurants” in the amount of \$5,000 upon certification, with an additional \$5,000 tax credit per year available for a maximum of three (3) years following certification, should the restaurant continue to meet certification standards.

To be a “Certified Green Restaurant”, as determined by the Department of Environmental Protection, a restaurant must evince the following practices:

While providing dining in services, the restaurant uses reusable utensils; reusable dishes; reusable glasses; and bulk condiments. While providing dining out services, the restaurant employs a reusable mug discount incentive program; a reusable container incentive program; and provide condiment, napkin, straw, and utensils by request only.

Not more than 250 restaurants shall be eligible to claim this credit in any fiscal year. Restaurants certified by the department as eligible to receive the credit shall receive priority over new restaurant applicants in subsequent fiscal years. When doing state business which requires the use of a restaurant, each state agency must give preference to the use of Certified Green Restaurants, unless the state agency has determined that such option is not reasonable.

The credits against the sales and use tax authorized shall be deducted from any sales and use tax remitted by the dealer to the department by electronic funds transfer and may only be deducted on a sales and use tax return initiated through electronic data interchange. The dealer must separately state the credit on the electronic return. If the credit for the qualified expenditures is larger than the amount owed on the sales and use tax return that is eligible for the credit, the unused amount of the credit may be carried forward to a succeeding reporting period. A dealer may not obtain a credit by applying for a refund.