

**HOUSE . . . . . No. 215**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***Gailanne M. Cariddi***

*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 tax increment financing plan for new businesses.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Gailanne M. Cariddi</i>	<i>1st Berkshire</i>
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>
<i>Patricia A. Haddad</i>	<i>5th Bristol</i>

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By Ms. Cariddi of North Adams, a petition (accompanied by bill, House, No. 215) of Gailanne M. Cariddi, Jason M. Lewis and Patricia A. Haddad that the Economic Assistance Coordinating Council under the oversight of the Secretary of Housing and Economic Development establish a tax increment financing program. Economic Development and Emerging Technologies.

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**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninetieth General Court  
(2017-2018)**  
\_\_\_\_\_

An Act establishing a tax increment financing plan for new businesses.

*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 23A of the General Laws is hereby amended by adding the  
2 following section:-

3           Section 66. (a) The Economic Assistance Coordinating Council, hereinafter the  
4 EACC, under the oversight of the secretary of housing and economic development shall establish  
5 a tax increment financing program, hereinafter the program, which shall incentivize the  
6 development of businesses in particular areas of the commonwealth in accordance with the  
7 requirements of this section. The program shall provide exemptions from certain state taxes and  
8 fees to qualifying businesses.

9           (b) The EACC shall establish no more than four zones, one in each of the counties  
10 of Berkshire, Franklin, Hampden, and Hampshire, in which the program shall be available,  
11 hereinafter referred to as a business zone.

12 (c) In order to qualify for the program, a business shall apply to the department of  
13 housing and economic development on an application which the department shall develop, and  
14 shall meet the following requirements in order to enter into a tax increment financing plan:

15 (1) The business shall be located within a business zone as established herein;

16 (2) The business shall be new to the commonwealth, which shall mean: (i) the  
17 business is not currently operating or located in the commonwealth, and (ii) the business will not  
18 be transferring existing jobs from another part of the commonwealth;

19 (3) The business shall not be a restaurant, a retail business, a real estate brokerage  
20 firm, a law firm, a real estate management company, a hospitality business, a finance or financial  
21 services business, a business providing personal, administrative or support services, or an  
22 accounting firm;

23 (4) The business shall demonstrate the potential to create no fewer than 50 new jobs  
24 in the commonwealth which shall mean: (i) jobs that will not be transferred from another  
25 business in the commonwealth through acquisition, merger, consolidation, or other  
26 reorganization of a business; (ii) jobs that will be full-time, include benefits, and require at least  
27 35 hours of work per week; and (iii) jobs that will be filled for no less than the length of the plan  
28 as established herein. A business whose application demonstrates the ability to create 50 or more  
29 new jobs shall establish training programs to qualify local workers for such jobs or shall agree to  
30 participate with local employment and training agencies to give local residents the first priority  
31 for employment at such jobs.

32 (d) A qualifying business approved and selected by the department for the program  
33 shall enter into an agreement with the EACC establishing the terms of the business's

34 individualized tax increment finance plan, hereinafter the plan. The plan shall establish the  
35 business's exemptions from otherwise applicable taxes and fees, which shall be a percentage of  
36 such taxes and fees that shall not exceed 100 per cent. Percentage of such taxes shall be  
37 increased annually by a set amount. No exemptions shall be available for a period longer than  
38 ten years. The taxes and fees from which a plan may allow a business to be exempt may include,  
39 but are not limited to, the following:

40 (1) Business registration fees;

41 (2) The use tax;

42 (3) The personal income tax, provided that this shall apply to sole proprietorships  
43 only;

44 (4) The annual report fee for domestic corporations and domestic limited  
45 partnerships;

46 (5) Sales tax on newly purchased equipment; and

47 (6) Taxes on corporations.

48 (e) The EACC shall implement the tax increment financing program by issuing  
49 regulations and rules consistent with the requirements of this section.

50 SECTION 2. The EACC shall issue the regulations required by subsection (e) of  
51 section 66 of chapter 23A of the General Laws on or before January 1, 2019.