

**HOUSE . . . . . No. 230**

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**The Commonwealth of Massachusetts**

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PRESENTED BY:

***Richard M. Haggerty***

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*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 encouraging the growth of small businesses.

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PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Richard M. Haggerty</i>	<i>30th Middlesex</i>	<i>1/20/2023</i>

**HOUSE . . . . . No. 230**

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By Representative Haggerty of Woburn, a petition (accompanied by bill, House, No. 230) of Richard M. Haggerty relative to bona fide business entities. Community Development and Small Businesses.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE HOUSE, NO. 3547 OF 2019-2020.]

**The Commonwealth of Massachusetts**

\_\_\_\_\_  
**In the One Hundred and Ninety-Third General Court  
(2023-2024)**  
\_\_\_\_\_

An Act relative to encouraging the growth of small 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. The Massachusetts General Laws, as appearing in the 2020 Official Edition, is  
2 hereby amended by inserting after Chapter 93K the following new chapter:

3           Chapter 93L, Bona Fide Business Entities

4           Section 1. A business entity that provides services under a written contract is not an  
5 employee for the purposes of Title IX, Taxation, and Title XXI, Labor and Industries, provided  
6 that the business entity is bona fide. A business entity will be deemed to be bona fide if it is  
7 shown that:

8           (a) The business entity is registered as such with the Secretary of the Commonwealth and  
9 is in good standing;

10 (b) The business entity includes the compensation it receives for the services it renders on  
11 federal and applicable state tax schedules as income from an independent business or profession;

12 (c) The business entity reports the compensation paid to its employees, if any, to the  
13 Internal Revenue Service and the Massachusetts Department of Revenue; and

14 (d) The business entity complies with federal and state tax, unemployment insurance,  
15 workers' compensation insurance, and labor and employment law obligations with respect to its  
16 employees.