

HOUSE No. 02530

The Commonwealth of Massachusetts

PRESENTED BY:

Bradley H. Jones, Jr. and

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 passage of the accompanying bill:

An Act relative to stimulating the economy through job creation.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Bradley H. Jones, Jr.</i>	<i>20th Middlesex</i>
<i>Donald F. Humason, Jr.</i>	<i>4th Hampden</i>
<i>Marc Lombardo</i>	<i>22nd Middlesex</i>
<i>Randy Hunt</i>	<i>5th Barnstable</i>
<i>F. Jay Barrows</i>	<i>1st Bristol</i>
<i>Shaunna O'Connell</i>	<i>3rd Bristol</i>
<i>Susan Williams Gifford</i>	<i>2nd Plymouth</i>
<i>Daniel K. Webster</i>	<i>6th Plymouth</i>
<i>Todd M. Smola</i>	<i>1st Hampden</i>
<i>Kevin Kuros</i>	<i>8th Worcester</i>
<i>Ryan Fattman</i>	<i>18th Worcester</i>
<i>Sheila Harrington</i>	<i>1st Middlesex</i>
<i>Daniel Winslow</i>	<i>9th Norfolk</i>
<i>Kimberly Ferguson</i>	<i>1st Worcester</i>
<i>Matthew Beaton</i>	<i>11th Worcester</i>
<i>Nicholas Boldyga</i>	<i>3rd Hampden</i>
<i>Steven L. Levy</i>	<i>4th Middlesex</i>

<i>David Vieira,</i>	<i>3rd Barnstable</i>
<i>Bruce E. Tarr</i>	<i>First Essex and Middlesex</i>
<i>Paul K. Frost</i>	<i>7th Worcester</i>
<i>Steven Howitt</i>	<i>4th Bristol</i>
<i>George Ross</i>	<i>2nd Bristol</i>
<i>George N. Peterson, Jr.</i>	<i>9th Worcester</i>
<i>Bradford Hill</i>	<i>4th Essex</i>
<i>Elizabeth Poirier</i>	<i>14th Bristol</i>
<i>Viriato Manuel deMacedo</i>	<i>1st Plymouth</i>

HOUSE No. 02530

By Messrs. Jones of North Reading and deMacedo, a petition (accompanied by bill, House, No. 2530) of Ross and others relative to stimulating the economy through job creation Joint Committee on Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
□ HOUSE
□ , NO. 2789 OF 2009-2010.]

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act relative to stimulating the economy through job creation.

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: Section 31M of chapter 63 of the General Laws, as appearing in the 2008 Official
- 2 Edition, is hereby amended by adding, at the end thereof, the following new section:
- 3 Section 31N: For the purposes of this section, the following words shall have the following
- 4 meanings:
- 5 “Application year”, the calendar year for which a qualifying small business submits the
- 6 information required for a determination as to a jobs incentive payment.
- 7 “Commissioner”, the commissioner of revenue.

8 “Eligible jobs”, a number determined by first multiplying each of the local jobs created by a
9 small business during a single calendar year by the job qualifier for that job, and then totaling the
10 number for all the local jobs created.

11 “Full time employee”, a person who is employed for consideration for at least 35 hours per week
12 and whose salary is subject to withholding as provided in chapter 62B.

13 “Job qualifier fraction”, in the case of either a full-time employee or a part-time employee of a
14 small business, the figure that determines the extent to which that employee is employed in the
15 commonwealth during a single calendar year. The job qualifier fraction for each employer shall
16 be determined by multiplying the following percentages together: (i) the percentage of time that
17 an employee worked while employed by the company expressed as average hours worked per
18 week out of 35 hours, not to exceed 100 per cent; (ii) that employee’s time attributable to work
19 in the commonwealth, as a portion of that employee’s total work for the company; and (iii) the
20 portion of the year the employee worked for the company.

21 “Local jobs created”, the total number of direct jobs created by a small business during a single
22 calendar year in which the new employees perform their duties in at least 1 in-state location,
23 including jobs performed by persons that are transferred within the company to work at an in-
24 state location from a location based outside the state.

25 “Part-time employee”, a person who is employed for consideration for less than 35 hours a week
26 and whose salary is subject to withholding as provided in chapter 62B.

27 “Payment years”, in the case of a small business that is determined to be eligible for a jobs
28 incentive payment, the 3 calendar years following the application year.

29 “Small business”, a business that had total annual sales in its most recently completed fiscal year
30 of less than five million dollars, or has less than 100 employees, and has a principal place of
31 business in the commonwealth.

32 “Small business jobs incentive payment”, a business employment incentive payment for
33 qualifying small businesses as provided for in this section.

34 “Weighted average employment”, for a calendar year, the total number of jobs maintained by a
35 small business in which the employees performed employment services at least 1 in-state
36 location. The number is to be determined by first multiplying each of the individual jobs
37 maintained by the company for that year by the job qualifier fraction for that job and then
38 totaling the number for all of these jobs.

39 (b) A small business that creates 5 or more eligible jobs in the commonwealth during a single
40 calendar year shall be entitled to a small business jobs incentive payment if its weighted average
41 employment for such year reflects a net increase of at least 5 jobs over the company’s weighted
42 average employment for the previous calendar year. The jobs incentive payment shall be equal to
43 25 per cent of the amount paid by the company as salary attributable to eligible jobs created by
44 the company in such year to the extent that the salary was subject to Massachusetts withholding
45 pursuant to chapter 62B for such year, multiple by the applicable Massachusetts income tax rate
46 for such salary. For the purposes of this provision, an eligible job shall be deemed created in the
47 commonwealth on the first day for which Massachusetts withholding is required in connection
48 with the compensation paid to the employee.

49 (c) The small business jobs incentive payment shall be paid to the small business in 3 equal
50 installments in each of the three calendar years commencing with the calendar year subsequent to

51 the application year. If, for the first or second payment year, the company's weighted average
52 employment falls below its weighted average for the application year, the company shall be
53 disqualified from receiving its second installment payment. It may still receive its third
54 installment payment if its weighted average employment for its second payment year is above its
55 weighted average employment for its application year

56 (d) A small business that seeks a small business jobs incentive payment shall apply to the
57 commissioner to receive such payment on a form to be prescribed by the commissioner. This
58 form shall reference the necessary information concerning the eligible jobs created by the
59 company in the commonwealth during the application year and also the company's weighted
60 average employment for such year and the previous calendar year. The commissioner shall
61 advise the company of his determination in writing.

62 (e) Not later than March 1 of each calendar year for which a small business has been approved to
63 receive a small business jobs incentive payment, the company shall submit to the commissioner,
64 in a form prescribed by the commissioner, the information necessary to evaluate the company's
65 previous year weighted employment average.

66 (f) A small business that has previously been approved to receive a small business jobs incentive
67 payment is entitled to re-apply for an additional payment for a second or third application year.
68 In such cases, the company may be entitled to receive a small business jobs incentive payment
69 that relates to a different application in the same calendar year. When a company had previously
70 been granted a jobs incentive payment for 3 application years, it shall not request an additional
71 small business jobs incentive payment.

72 (g) The commissioner shall issue payments, as authorized in subsection (b), without further
73 appropriation. The commissioner may issue rules and regulations as necessary or helpful to
74 implement this section, including rules and regulations to ensure compliance with this section.

75 SECTION 2: This act shall be effective as to small business jobs incentive payment requests
76 made by small businesses for calendar years 2011 to 2015, inclusive.