

**HOUSE . . . . . No. 2647**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***William M. Straus***

*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 a cranberry bog renovation tax credit.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>William M. Straus</i>	<i>10th Bristol</i>
<i>Susan Williams Gifford</i>	<i>2nd Plymouth</i>
<i>Sarah K. Peake</i>	<i>4th Barnstable</i>
<i>Antonio F. D. Cabral</i>	<i>13th Bristol</i>
<i>Carolyn C. Dykema</i>	<i>8th Middlesex</i>
<i>Carole A. Fiola</i>	<i>6th Bristol</i>
<i>Paul A. Schmid, III</i>	<i>8th Bristol</i>
<i>Steven S. Howitt</i>	<i>4th Bristol</i>
<i>Christopher M. Markey</i>	<i>9th Bristol</i>
<i>David T. Vieira</i>	<i>3rd Barnstable</i>
<i>Viriato M. deMacedo</i>	<i>Plymouth and Barnstable</i>
<i>Angelo L. D'Emilia</i>	<i>8th Plymouth</i>
<i>Michael D. Brady</i>	<i>Second Plymouth and Bristol</i>
<i>Brian W. Murray</i>	<i>10th Worcester</i>

**HOUSE . . . . . No. 2647**

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By Mr. Straus of Mattapoisett, a petition (accompanied by bill, House, No. 2647) of William M. Straus and others relative to cranberry bog renovation tax credits. Revenue.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE HOUSE, NO. 2654 OF 2017-2018.]

**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninety-First General Court  
(2019-2020)**  
\_\_\_\_\_

An Act relative to a cranberry bog renovation tax credit.

*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 6 of Chapter 62 of the general laws, as appearing in the 2016  
2 Official Edition, is hereby amended by inserting, after subsection (t), the following section:

3 (u) (1) For purposes of this section, the following terms shall have the following  
4 meanings unless the context clearly requires otherwise:

5 “Commissioner”, the commissioner of revenue

6 “Cranberry bog” or “bog”, an area actively cultivated for the harvesting or production of  
7 any variety of cranberry.

8 “Qualified renovation expenditure”, any expenditure or cost directly incurred in  
9 connection with the qualified renovation of a cranberry bog. The term shall not include costs

10 incurred in acquiring or purchasing, or the cost of acquiring property, in relation to the  
11 construction of structures for the purpose of cultivating, harvesting or producing cranberries.

12 "Qualified renovation", any renovation, repair, replacement, re-grading or restoration of a  
13 cranberry bog for the purpose of cultivating, harvesting or producing any variety of cranberry, or  
14 otherwise any other activity or action associated with the renovation of an abandoned cranberry  
15 bog. The term "qualified renovation" shall not include the construction of facilities or structures  
16 for the purpose of processing cranberries.

17 "Secretary", the secretary of energy and environmental affairs

18 "Taxpayer", a taxpayer subject to the taxation under this chapter.

19 (2)(i) A taxpayer primarily engaged in cranberry production shall be allowed a credit  
20 against the taxes imposed by this chapter equal to 25 per cent of the total qualified renovation  
21 expenditures incurred in connection with the qualified renovation or restoration of a cranberry  
22 bog; provided, however, the amount of the credit that may be claimed by a taxpayer under this  
23 section shall not exceed \$100,000.

24 (ii) The credit under this subsection shall be taken against the taxes imposed under this  
25 chapter and shall be refundable. The commissioner shall apply the credit against the liability of  
26 the taxpayer as determined on its return, as first reduced by any other available credits, and shall  
27 then refund to the taxpayer the balance of the credits. If the amount of the credit allowed under  
28 this subsection exceeds the taxpayer's tax liability, the commissioner shall treat the excess as an  
29 overpayment and shall pay the taxpayer the entire amount of the excess. Any amount of the tax  
30 credit that exceeds the tax due for a taxable year may be carried forward by the taxpayer to any  
31 of the 5 subsequent taxable years.

32 (iii) The secretary, in consultation with the commissioner of agricultural resources, shall  
33 authorize annually, for the period beginning January 1, 2019 and ending December 31, 2023, tax  
34 credits under this subsection together with section 38GG of chapter 63, an amount not to exceed  
35 \$2,000,000 per year. No credits shall be allowed under this subsection except to the extent  
36 authorized in this paragraph.

37 (3) For a taxpayer to qualify for the credit provided for under this subsection, the  
38 taxpayer shall file with the secretary a summary of qualified renovation expenditures in  
39 connection with the qualified renovation. The secretary shall approve the summary of qualified  
40 renovation expenditures and provide notice to the commissioner. Any qualified renovation  
41 expenditures applicable to this credit shall be treated for purposes of this subsection as made on  
42 the date that the secretary provides notice of the certification to the commissioner.

43 (4) Any portion of tax credits not awarded by the secretary in a calendar year shall not be  
44 applied to awards in a subsequent year. The secretary shall provide any documentation that the  
45 commissioner may deem necessary to confirm compliance with subparagraph (iii) of paragraph  
46 (2) and the commissioner shall provide a report confirming compliance to the secretary of  
47 administration and finance.

48 (5) The secretary shall annually, not later than September 1, file a report with the house  
49 and senate committees on ways and means, the joint committee on agriculture, environment and  
50 natural resources and the joint committee on revenue identifying the total amount of tax credits  
51 claimed and the total amount of tax credits refunded pursuant to this subsection in the preceding  
52 fiscal year.

53 (6) The secretary, in consultation with the commissioners of agricultural resources and  
54 revenue, shall promulgate regulations or other guidelines necessary for the administration and  
55 implementation of this subsection.

56 SECTION 2. Chapter 63 of the general laws, as so appearing, is hereby amended by  
57 inserting, after Section 38FF, the following section:

58 Section 38GG. (a) For purposes of this section, the following terms shall have the  
59 following meanings unless the context clearly requires otherwise:

60 “Commissioner”, the commissioner of revenue

61 “Cranberry bog” or “bog”, an area actively cultivated for the harvesting or production of  
62 any variety of cranberry.

63 “Qualified renovation expenditure”, any expenditure or cost directly incurred in  
64 connection with the qualified renovation of a cranberry bog. The term shall not include costs  
65 incurred in acquiring or purchasing, or the cost of acquiring property, in relation to the  
66 construction of structures for the purpose of cultivating, harvesting or producing cranberries.

67 "Qualified renovation", any renovation, repair, replacement, re-grading or restoration of a  
68 cranberry bog for the purpose of cultivating, harvesting or producing any variety of cranberry, or  
69 otherwise any other activity or action associated with the renovation of an abandoned cranberry  
70 bog. The term

71 “qualified renovation” shall not include the construction of facilities or structures for the  
72 purpose of processing cranberries.

73 “Secretary”, the secretary of energy and environmental affairs

74 "Taxpayer", a taxpayer subject to the taxation under this chapter.

75 (b)(1) A taxpayer primarily engaged in cranberry production shall be allowed a credit  
76 against the taxes imposed by this chapter equal to 25 per cent of the total qualified renovation  
77 expenditures incurred in connection with the qualified renovation or restoration of a cranberry  
78 bog; provided, however, the amount of the credit that may be claimed by a taxpayer under this  
79 section shall not exceed \$100,000.

80 (2) The credit under this section shall be taken against the taxes imposed under this  
81 chapter and shall be refundable. The commissioner shall apply the credit against the liability of  
82 the taxpayer as determined on its return, as first reduced by any other available credits, and shall  
83 then refund to the taxpayer the balance of the credits. If the amount of the credit allowed under  
84 this section exceeds the taxpayer's tax liability, the commissioner shall treat the excess as an  
85 overpayment and shall pay the taxpayer the entire amount of the excess. Any amount of the tax  
86 credit that exceeds the tax due for a taxable year may be carried forward by the taxpayer to any  
87 of the 5 subsequent taxable years.

88 (3) The secretary, in consultation with the commissioner of agricultural resources, shall  
89 authorize annually, for the period beginning January 1, 2019 and ending December 31, 2023, tax  
90 credits under this subsection together with subsection(u)(1) of section 6 of chapter 62, an amount  
91 not to exceed \$2,000,000 per year. No credits shall be allowed under this subsection except to  
92 the extent authorized in this subsection.

93 (c) For a taxpayer to qualify for the credit provided for under this section, the taxpayer  
94 shall file with the secretary a summary of qualified renovation expenditures in connection with  
95 the qualified renovation. The secretary shall approve the summary of qualified renovation

96 expenditures and provide notice to the commissioner. Any qualified renovation expenditures  
97 applicable to this credit shall be treated for purposes of this subsection as made on the date that  
98 the secretary provides notice of the certification to the commissioner.

99 (d) Any portion of tax credits not awarded by the secretary in a calendar year shall not be  
100 applied to awards in a subsequent year. The secretary shall provide any documentation that the  
101 commissioner may deem necessary to confirm compliance with paragraph (3) of subsection (b)  
102 and the commissioner shall provide a report confirming compliance to the secretary of  
103 administration and finance.

104 (e) The secretary shall annually, not later than September 1, file a report with the house  
105 and senate committees on ways and means, the joint committee on agriculture, environment and  
106 natural resources and the joint committee on revenue identifying the total amount of tax credits  
107 claimed and the total amount of tax credits refunded pursuant to this section in the preceding  
108 fiscal year.

109 (f) The secretary, in consultation with the commissioners of agricultural resources and  
110 revenue, shall promulgate regulations or other guidelines necessary for the administration and  
111 implementation of this section.