

**HOUSE . . . . . No. 2687**

The Commonwealth of Massachusetts

PRESENTED BY:

*James J. O'Day*

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 to invest in our communities.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>James J. O'Day</i>	<i>14th Worcester</i>
<i>Denise Andrews</i>	<i>2nd Franklin</i>
<i>Thomas P. Conroy</i>	<i>13th Middlesex</i>
<i>Chris Walsh</i>	<i>6th Middlesex</i>
<i>Ellen Story</i>	<i>3rd Hampshire</i>
<i>Sonia Chang-Diaz</i>	<i>Second Suffolk</i>
<i>Elizabeth A. Malia</i>	<i>11th Suffolk</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>
<i>Marjorie C. Decker</i>	<i>25th Middlesex</i>
<i>Tom Sannicandro</i>	<i>7th Middlesex</i>
<i>Aaron Vega</i>	<i>5th Hampden</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>
<i>Benjamin Swan</i>	<i>11th Hampden</i>
<i>Peter V. Kocot</i>	<i>1st Hampshire</i>
<i>Jason M. Lewis</i>	<i>31st Middlesex</i>
<i>Carlo Basile</i>	<i>1st Suffolk</i>
<i>Frank I. Smizik</i>	<i>15th Norfolk</i>
<i>Ruth B. Balsler</i>	<i>12th Middlesex</i>

<i>Carl M. Sciortino, Jr.</i>	<i>34th Middlesex</i>
<i>Kay Khan</i>	<i>11th Middlesex</i>
<i>Tricia Farley-Bouvier</i>	<i>3rd Berkshire</i>
<i>Mary S. Keefe</i>	<i>15th Worcester</i>
<i>William Smitty Pignatelli</i>	<i>4th Berkshire</i>
<i>Timothy J. Toomey, Jr.</i>	<i>26th Middlesex</i>
<i>Michael J. Finn</i>	<i>6th Hampden</i>
<i>Michael D. Brady</i>	<i>9th Plymouth</i>
<i>Paul W. Mark</i>	<i>2nd Berkshire</i>
<i>John J. Lawn, Jr.</i>	<i>10th Middlesex</i>
<i>Michael Barrett</i>	<i>Third Middlesex</i>
<i>Marcos A. Devers</i>	<i>16th Essex</i>
<i>David M. Rogers</i>	<i>24th Middlesex</i>
<i>Cheryl A. Coakley-Rivera</i>	<i>10th Hampden</i>
<i>Gloria L. Fox</i>	<i>7th Suffolk</i>
<i>Sean Garballey</i>	<i>23rd Middlesex</i>
<i>Frank A. Moran</i>	<i>17th Essex</i>
<i>David B. Sullivan</i>	<i>6th Bristol</i>
<i>Carlos Henriquez</i>	<i>5th Suffolk</i>
<i>Anne M. Gobi</i>	<i>5th Worcester</i>
<i>Christine E. Canavan</i>	<i>10th Plymouth</i>
<i>Jonathan Hecht</i>	<i>29th Middlesex</i>
<i>Gailanne M. Cariddi</i>	<i>1st Berkshire</i>
<i>Byron Rushing</i>	<i>9th Suffolk</i>

**HOUSE . . . . . No. 2687**

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By Mr. O'Day of West Boylston, a petition (accompanied by bill, House, No. 2687) of James J. O'Day and others relative to the taxation of certain income. Revenue.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE  
□ HOUSE  
□ , NO. 2553 OF 2011-2012.]

**The Commonwealth of Massachusetts**

\_\_\_\_\_  
**In the Year Two Thousand Thirteen**  
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An Act to invest in our communities.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 Chapter 62 of the General Laws is hereby amended as follows:

2 SECTION 1.

3 Section 3 of chapter 62 of the General Laws, as appearing in the 2010 Official Edition, is  
4 hereby amended by striking out subsection B(b)(1)(A) and inserting in place thereof the  
5 following:--

6 A personal exemption of \$7,900 for tax years beginning on or after January 1, 2014.

7 Section 3 of chapter 62 of the General Laws, as appearing in the 2010 Official Edition, is  
8 hereby further amended by striking out subsection B(b)(1A)(A) and inserting in place thereof the  
9 following:--

10 A personal exemption of \$10,300 for tax years beginning on or after January 1, 2014.

11 Section 3 of chapter 62 of the General Laws, as appearing in the 2010 Official Edition, is  
12 hereby further amended by striking out subsection B(b)(2)(A) and inserting in place thereof the  
13 following:--

14 A personal exemption of \$15,800 for tax years beginning on or after January 1, 2014.

15 Section 3 of chapter 62 of the General Laws, as appearing in the 2010 Official Edition, is  
16 hereby further amended by adding a subsection D to read in its entirety as follows—

17 In determining the Part A and Part C taxable income of persons who are 65 or older, or  
18 who are disabled, an exemption shall be allowed upon the sum of the Part A and Part C adjusted  
19 gross income of such persons in an amount equal to the lesser of \$2500 and one third of the sum  
20 of such Part A and Part C income for a single person, or a married person filing a separate return,  
21 whose total federal adjusted gross income is less than \$40,000, and in an amount equal to the  
22 lesser of \$5000 and one third of the sum of the Part A and Part C income for a married couple  
23 filing a joint return whose total federal adjusted gross income is less than \$80,000, provided,  
24 however, that if only one spouse is 65 or older or is disabled, the exemption shall not exceed  
25 \$2,500.

26 SECTION 2.

27 Section 4 of chapter 62 of the General Laws, as appearing in the 2010 Official Edition, is  
28 hereby amended by striking out subsection (a)(1) and inserting in place thereof the following:--

29 Part A taxable income consisting of capital gains shall be taxed at the rate of 8.95 per  
30 cent for tax years beginning on or after January 1, 2014.

31 Section 4 of chapter 62 of the General Laws, as appearing in the 2010 Official Edition, is  
32 hereby further amended by striking out subsection (a)(2) and inserting in place thereof the  
33 following:--

34 Part A taxable income consisting of interest and dividends shall be taxed at the rate of  
35 8.95 per cent for tax years beginning on or after January 1, 2014.

36 Section 4 of chapter 62 of the General Laws, as appearing in the 2010 Official Edition, is  
37 hereby further amended by striking out subsection (b) and inserting in place thereof the  
38 following:--

39 Part B taxable income shall be taxed at the rate of 5.95 per cent for tax years beginning  
40 on or after January 1, 2014.

41 Section 4 of chapter 62 of the General Laws, as appearing in the 2010 Official Edition as  
42 amended by 2010, 240, Sec. 111, is hereby further amended by striking out subsection (c) and  
43 inserting in place thereof the following:--

44 Part C taxable income shall be taxed at the rate of 8.95 percent for tax years beginning on  
45 or after January 1, 2014, excepting Part C taxable income derived from the sale of investments  
46 which: (1) are in a corporation which is domiciled in the commonwealth with a date of  
47 incorporation on or after January 1, 2011 which has less than \$50 million in assets at the time of

48 investment and complies with subsections (e)(1), (e)(2), (e)(5), and (e)(6) of Section 1202 of the  
49 Internal Revenue Service Code; and (2) are held for 3 years or more, which shall be taxed at a  
50 rate of 3 per cent; provided, however, that in order to qualify for the 3 per cent rate, such  
51 investments shall be made within 5 years of the date of incorporation and, to the extent  
52 consistent with the provisions of this subsection, shall be in stock in a corporation that satisfies  
53 the requirements for treatment as “qualified small business stock” under section 1202 ( c) of the  
54 federal Internal Revenue Code, without regard to the requirement that the corporation be a C  
55 corporation..