

**HOUSE . . . . . No. 2742**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Michelle L. Ciccolo*

*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 transportation excise tax for large employers.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Michelle L. Ciccolo</i>	<i>15th Middlesex</i>	<i>1/20/2023</i>

**HOUSE . . . . . No. 2742**

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By Representative Ciccolo of Lexington, a petition (accompanied by bill, House, No. 2742) of Michelle L. Ciccolo relative to a transportation excise tax for large employers. Revenue.

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**The Commonwealth of Massachusetts**

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

An Act relative to a transportation excise tax for large employers.

*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 General Laws are hereby amended by inserting after chapter 63B the  
2 following chapter:-

3           CHAPTER 63D.

4           TRANSPORTATION EXCISE TAX FOR CORPORATIONS

5           Section 1. As used in this chapter, the following terms shall, unless the context clearly  
6 appears otherwise, have the following meanings:

7           “Department”, the department of revenue.

8           “Disregarded entity”, an entity that is disregarded as a separate entity from its owner for  
9 federal income tax purposes.

10          “Employee”, a person defined in clause (h) of section 1 of chapter 151A; provided that an  
11 employee shall include a person who physically commutes to an employer’s location in

12 Massachusetts regardless of residence and a person who resides in Massachusetts and works for  
13 an employer with a physical presence in Massachusetts.

14 “Employer”, a business corporation, non-governmental employer, partnership or  
15 disregarded entity.

16 Section 2. Every employer shall pay, on account of each calendar year, the transportation  
17 excise tax provided in this chapter.

18 Section 3. (a) An employer who annually employs 50-99 employees in the  
19 commonwealth shall pay an excise tax amount equal to the product of (i) the ratio of the  
20 employees of the employer to the total number of employees employed in the commonwealth  
21 from the aggregate of all employers owing excise tax under this section, multiplied by (ii) the  
22 total excise tax amount under this section.

23 (b) The total excise tax amount from all employers under subsection (a) shall be  
24 \$3,826,170; such that employers in this category shall pay approximately \$10 per employee, per  
25 year.

26 Section 4. (a) An employer who annually employs 100-149 employees in the  
27 commonwealth shall pay an excise tax amount equal to the product of (i) the ratio of the  
28 employees of the employer to the total number of employees employed in the commonwealth  
29 from the aggregate of all employers owing excise tax under this section, multiplied by (ii) the  
30 total excise tax amount under this section.

31 (b) The total excise tax amount from all employers under subsection (a) shall be  
32 \$4,896,040; such that employers in this category shall pay approximately \$20 per employee, per  
33 year.

34 Section 5. (a) An employer who annually employs 150-249 employees in the  
35 commonwealth shall pay an excise tax amount equal to the product of (i) the ratio of the  
36 employees of the employer to the total number of employees employed in the commonwealth  
37 from the aggregate of all employers owing excise tax under this section, multiplied by (ii) the  
38 total excise tax amount under this section.

39 (b) The total excise tax amount from all employers under subsection (a) shall be  
40 \$12,175,000; such that employers in this category shall pay approximately \$40 per employee, per  
41 year.

42 Section 6. (a) An employer who annually employs 250-499 employees in the  
43 commonwealth shall pay an excise tax amount equal to the product of (i) the ratio of the  
44 employees of the employer to the total number of employees employed in the commonwealth  
45 from the aggregate of all employers owing excise tax under this section, multiplied by (ii) the  
46 total excise tax amount under this section.

47 (b) The total excise tax amount from all employers under subsection (a) shall be  
48 \$24,188,280; such that employers in this category shall pay approximately \$60 per employee, per  
49 year.

50 Section 7. (a) An employer who annually employs 500-999 in the commonwealth shall  
51 pay an excise tax amount equal to the product of (i) the ratio of the employees of the employer to  
52 the total number of employees employed in the commonwealth from the aggregate of all

53 employers owing excise tax under this section, multiplied by (ii) the total excise tax amount  
54 under this section.

55 (b) The total excise tax amount from all employers under subsection (a) shall be  
56 \$33,148,160; such that employers in this category shall pay approximately \$80 per employee, per  
57 year.

58 Section 8. (a) An employer who annually employs 1,000 or more employees in the  
59 commonwealth shall pay an excise tax amount equal to the product of (i) the ratio of the  
60 employees of the employer to the total number of employees employed in the commonwealth

61 from the aggregate of all employers owing excise tax under this section, multiplied by (ii)  
62 the total excise tax amount under this section.

63 (b) The total excise tax amount from all employers under subsection (a) shall be  
64 \$161,466,000; such that employers in this category shall pay approximately \$100 per employee,  
65 per year.

66 Section 9. The total transportation excise tax assessment amount from all employers in  
67 this chapter shall not exceed \$250,000,000.

68 Section 10. Annually, before October 1, the department, in consultation with the  
69 executive office of labor and workforce development, shall establish each liability of an  
70 employer to pay the excise tax.

71 Section 11. Each employer shall remit the excise tax amount owed to the department in a  
72 form and manner determined by the department. The department shall deposit all such amounts

73 to the Commonwealth Transportation Fund, established in section 2ZZZ of chapter 29, for  
74 financing transportation related purposes.

75 Section 12. The department, in consultation with the executive office of labor and  
76 workforce development, shall establish by regulation the mechanism for administering the excise  
77 tax payor's obligations under this chapter and shall deduct from an individual entity's liability  
78 any regular annual payments said entity makes to or for in-state Massachusetts employees for  
79 public transit subsidies.

80 Section 13. The department, in consultation with the executive office of labor and  
81 workforce development, shall establish by regulation an appropriate mechanism for enforcing an  
82 excise tax payor's liability to the Fund if an excise tax payor does not make a payment to the  
83 Fund. Such enforcement mechanism may include assessment of interest on the unpaid liability at  
84 a rate not to exceed an annual percentage rate of 18 per cent and late fees or penalties at a rate  
85 not to exceed 5 per cent per month.

86 SECTION 2. The department of revenue shall promulgate regulations to implement this  
87 act within 180 days of the passage of this act.

88 SECTION 3. Section 1 shall take effect 270 days after the passage of this act.