

HOUSE No. 2863

The Commonwealth of Massachusetts

PRESENTED BY:

Josh S. Cutler

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 the WorkAbility Tax Credit.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Josh S. Cutler</i>	<i>6th Plymouth</i>	<i>2/16/2021</i>
<i>Lindsay N. Sabadosa</i>	<i>1st Hampshire</i>	<i>2/22/2021</i>
<i>Steven G. Xiarhos</i>	<i>5th Barnstable</i>	<i>2/22/2021</i>
<i>Kay Khan</i>	<i>11th Middlesex</i>	<i>2/23/2021</i>
<i>Brian W. Murray</i>	<i>10th Worcester</i>	<i>2/23/2021</i>
<i>Hannah Kane</i>	<i>11th Worcester</i>	<i>2/23/2021</i>
<i>Kathleen R. LaNatra</i>	<i>12th Plymouth</i>	<i>2/24/2021</i>
<i>Mathew J. Muratore</i>	<i>1st Plymouth</i>	<i>2/24/2021</i>
<i>Brian M. Ashe</i>	<i>2nd Hampden</i>	<i>2/24/2021</i>
<i>Kimberly N. Ferguson</i>	<i>1st Worcester</i>	<i>2/25/2021</i>
<i>Adam J. Scanlon</i>	<i>14th Bristol</i>	<i>2/26/2021</i>
<i>Patrick Joseph Kearney</i>	<i>4th Plymouth</i>	<i>2/26/2021</i>
<i>Susan L. Moran</i>	<i>Plymouth and Barnstable</i>	<i>2/26/2021</i>
<i>Tricia Farley-Bouvier</i>	<i>3rd Berkshire</i>	<i>2/26/2021</i>
<i>Vanna Howard</i>	<i>17th Middlesex</i>	<i>2/26/2021</i>
<i>Kate Lipper-Garabedian</i>	<i>32nd Middlesex</i>	<i>3/10/2021</i>
<i>Patrick M. O'Connor</i>	<i>Plymouth and Norfolk</i>	<i>3/15/2021</i>
<i>Tram T. Nguyen</i>	<i>18th Essex</i>	<i>3/25/2021</i>

<i>Marcos A. Devers</i>	<i>16th Essex</i>	<i>4/7/2021</i>
<i>Lori A. Ehrlich</i>	<i>8th Essex</i>	<i>4/7/2021</i>
<i>Ryan C. Fattman</i>	<i>Worcester and Norfolk</i>	<i>4/8/2021</i>
<i>Andres X. Vargas</i>	<i>3rd Essex</i>	<i>4/13/2021</i>

HOUSE No. 2863

By Mr. Cutler of Pembroke, a petition (accompanied by bill, House, No. 2863) of Josh S. Cutler and others relative to providing for a "WorkAbility" tax credit to employers for wages paid to qualified employees with disabilities. Revenue.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Second General Court
(2021-2022)**

An Act relative to the WorkAbility 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 2018
2 Official Edition, is hereby amended by adding the following subsection:-

3 (x)(1) For the purposes of this subsection, the following words shall, unless the context
4 clearly requires otherwise, have the following meanings:

5 "Employer", a person who employs no more than 50 employees.

6 "Qualified employee with a disability", a resident of the commonwealth, who is certified
7 by the Massachusetts rehabilitation commission as meeting the definition of disability in the 42
8 U.S.C. § 12102 and has a primary place of employment in the commonwealth.

9 (2) An employer shall be allowed a credit against the tax liability imposed by this chapter
10 equal to \$5,000 or 30 per cent of the wages paid to each qualified employee with a disability in
11 the first taxable year of employment, whichever is less. An employer shall be allowed a credit

12 against the tax liability imposed by this chapter equal to \$2,500 or 30 per cent of the wages paid
13 to each qualified employee with a disability in any subsequent taxable year of employment,
14 whichever is less.

15 (3) To be eligible for the credit allowed by this subsection the employer shall receive
16 certification from the Massachusetts rehabilitation commission that the employee qualifies not
17 later than the day the employee begins work; provided, however, that the commissioner may
18 establish reasonable exceptions to this paragraph by regulation.

19 (4) An employer that is eligible for and claims the credit allowed under this section in a
20 taxable year with respect to a qualified employee with a disability shall be eligible for the credit
21 in the subsequent taxable year with respect to such qualified employee. No credit allowed
22 pursuant to this subsection shall be transferable.

23 (5) The secretary of health and human services, in consultation with the commissioner,
24 shall promulgate regulations establishing an application process for the credit.

25 (6) The credit under this subsection shall be attributed on a pro rata basis to the owners,
26 partners or members of the person allowed the credit under this subsection, and shall be allowed
27 as a credit against the tax due pursuant to this chapter of such owners, partners or members, in a
28 manner determined by the commissioner.

29 SECTION 2. Chapter 63 of the General Laws is hereby amended by inserting after
30 section 35HH the following section:-

31 Section 35II. (a) For the purposes of this section, the following words shall, unless the
32 context clearly requires otherwise, have the following meanings:

33 “Employer”, a person who employs no more than 50 employees.

34 “Qualified employee with a disability”, a resident of the commonwealth, who is certified
35 by the Massachusetts rehabilitation commission as meeting the definition of disability in the 42
36 U.S.C. § 12102 and has a primary place of employment in the commonwealth.

37 (b) An employer shall be allowed a credit against the tax liability imposed by this chapter
38 equal to \$5,000 or 30 per cent of the wages paid to each qualified employee with a disability in
39 the first taxable year of employment, whichever is less. An employer shall be allowed a credit
40 against the tax liability imposed by this chapter equal to \$2,500 or 30 per cent of the wages paid
41 to each qualified employee with a disability in any subsequent taxable year of employment,
42 whichever is less.

43 (c) To be eligible for the credit allowed by this section the employer shall receive
44 certification from the Massachusetts rehabilitation commission that the employee qualifies not
45 later than the day the employee begins work; provided, however, that the commissioner may
46 establish reasonable exceptions to this section by regulation.

47 (d) An employer that is eligible for and claims the credit allowed under this section in a
48 taxable year with respect to a qualified employee with a disability shall be eligible for the credit
49 in the subsequent taxable year with respect to such qualified employee. No credit allowed
50 pursuant to this section shall be transferable.

51 (e) The secretary of health and human services, in consultation with the commissioner,
52 shall promulgate regulations establishing an application process for the credit.

53 (f) The credit under this section shall be attributed on a pro rata basis to the owners,
54 partners or members of the person allowed the credit under this section, and shall be allowed as a
55 credit against the tax due pursuant to this chapter of such owners, partners or members, in a
56 manner determined by the commissioner.

57 SECTION 3. Sections 1 and 2 shall be effective for tax years beginning on or after
58 January 1, 2022.

59 SECTION 4. This bill shall be designated as the Workability Tax Credit Bill.