

**HOUSE . . . . . No. 42**

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**The Commonwealth of Massachusetts**



MAURA T. HEALEY  
GOVERNOR

OFFICE OF THE GOVERNOR  
**COMMONWEALTH OF MASSACHUSETTS**  
STATE HOUSE · , MA

KIMBERLY DRISCOLL  
LIEUTENANT GOVERNOR

*March 1, 2023*

To the Honorable Senate and House of Representatives,

I am filing for your consideration a bill entitled “An Act Creating Tax Relief for Affordability, Competitiveness, and Equity.” This tax package, projected to cost \$742 million net to budget in fiscal year 2024 (FY24), is an integral part of my FY24 budget proposal. It draws on the consensus around tax relief that began to emerge last year and delivers on my promise to help families across the Commonwealth.

Extraordinary tax growth over the past several years, together with prudent fiscal management, allows me to propose tax relief which is both responsible and meaningful. The bill’s total impact of \$859 million, including \$117 million that would otherwise go to long-term reserves, stems primarily from substantial tax cuts in four key areas.

The Child and Family Tax Credit is the \$458 million centerpiece of our Administration’s tax proposal. It hits squarely on affordability – for families with young children or disabled or senior dependents; equity – for low-income caregivers who could use a break in the form of a refundable credit; and competitiveness – for employers seeking to attract and retain workers in a state with high child care costs. This expanded and simplified credit would replace two interrelated dependent credits. The new credit is uncapped and is not limited by income: all filers will be able to claim \$600 for each qualifying dependent, including children under 13, disabled adults, and seniors. The \$600 refundable credit would provide relief for over 700,000 taxpayers who are supporting over 1,000,000 qualifying dependents across the Commonwealth.

A proposed reduction in the estate tax would increase the Commonwealth's competitiveness: Massachusetts is one of only 12 states and Washington, D.C., that impose an estate tax. In addition, Massachusetts has the lowest threshold in the nation for estates subject to tax. Under current law, estates with a gross value over \$1 million are subject to taxation, starting with the first dollar at a rate of 0.8% and growing to a marginal rate of 16%. This bill would establish a non-refundable \$182,000 credit for each estate. The credit would eliminate all taxes on estates worth \$3 million or less in net taxable value, while providing \$182,000 of tax relief on larger estates. This change would benefit all estate tax filers and provide reassurance to aging Massachusetts residents and their families at a cost of \$167 million in FY24 (\$272 million for a full year).

Two provisions touch on affordability of housing by increasing the maximum renter deduction, as well as the maximum senior circuit breaker tax credit for low-income seniors with high property tax costs. Current law allows filers to deduct up to 50% of the cost of the rent for their primary residence, up to \$3,000; this bill would increase the maximum deduction to \$4,000, saving renters \$40 million annually. Further, the package would double the maximum Senior Circuit Breaker credit from approximately \$1,200 up to approximately \$2,400. This credit, indexed to inflation, provides critical relief to low-income homeowners and renters aged 65 or older, and would result in \$60 million in tax relief.

By aligning the short-term capital gains tax rate with the 5% rate that applies to nearly all income, including long term capital gains, this bill would address an aspect of Massachusetts' tax structure that is out of step with nearly all other states. Because capital gains taxes above a threshold of approximately \$1.4 billion are not available to the budget under current law, this change can provide \$117 million in tax cuts, and bring the tax on capital gains more in line with other states for over 150,000 taxpayers, without having any impact on budgetary spending.

Ten smaller changes bring \$17 million in more targeted tax law improvements that would also have meaningful impact on key priorities, including housing, workforce, the environment, and Massachusetts' vibrant arts, culture and agricultural sectors.

In the area of affordability and equity, this bill would increase the statewide cap on the Housing Development Incentive Program (HDIP) from \$10 million to \$50 million on a one-time basis, and thereafter to \$30 million annually. HDIP expands the production of affordable housing through state tax credits to developers of market rate housing in Gateway Cities. The package expands occupations eligible for the apprenticeship tax credit and raises a statewide cap on the program to give it room to grow. The bill exempts any employer assistance with student loan repayment from taxable income for the employee. The expansion of commuter transit benefits to include regional transit passes and bike commuter expenses will help address commuting costs in a climate-friendly fashion and statewide.

A series of targeted tax cuts are potentially of great value for residents of environmental justice and rural communities. The bill doubles the deductions for lead paint abatement to \$3,000 for full and \$1,500 for partial abatement. It likewise doubles the maximum credit for septic tank repair or replacement in a primary residence to \$12,000, and allows taxpayers to access these credits on a more accelerated schedule. The bill extends the expiring brownfields tax credit program through 2028, to continue support for cleanup of contaminated properties.

Lastly, the bill touches on target opportunities for competitiveness in regionally and culturally important activities. A new live theater tax credit would enable qualifying productions, selected through a competitive award process, to claim a credit for a share of payroll, production, and transportation costs. The bill would increase the dairy tax credit statewide cap from \$6 million to \$8 million, further insulating farmers when wholesale milk prices decline. Finally, the proposal would adjust the allowable alcohol content in cider and still wine to allow locally produced hard cider and still wine makers access to a more favorable tax rate.

I believe you will recognize and like many elements of this bill. I look forward to working with you over the coming months on finalizing a tax package for the benefit of our Commonwealth.

Respectfully Submitted,

Maura T. Healey,  
*Governor*

**The Commonwealth of Massachusetts**

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

An Act creating tax relief for affordability, competitiveness and equity.

*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. Chapter 23A of the General Laws, as appearing in the 2020 Official  
2 Edition, is hereby amended by inserting after section 3L the following section:-

3           Section 3M. (a) (1) For the purposes of this section the term “office” shall mean the  
4 Massachusetts office of business development established in section 1 of chapter 23A, or any  
5 constituent office thereof.

6           (2) There is hereby established a pilot program for a live theater tax credit for which a  
7 live theater company doing business with a Massachusetts-based theater venue, theater company,  
8 theater presenter or producer may be eligible. The credit shall be established to support the  
9 expansion of pre-Broadway productions, pre-off Broadway productions and national tour  
10 launches, as those terms are defined in paragraph (1) of subsection (dd) of section 6 of chapter 62  
11 and subsection (a) of section 38NN of chapter 63 of the General Laws, and shall assist in the  
12 development of long run show development and growth.

13           (b)(1) The office, directly or through a constituent office, shall run a competitive grant  
14 program to award live theater tax credits. An applicant may only be awarded a tax credit if they  
15 meet the requisite criteria and qualifications for the credit as outlined in this section and  
16 subsection (dd) of chapter 62 of the General Laws or section 38NN of chapter 63 of the General  
17 Laws. The office shall establish criteria for prioritization of credits, which may include  
18 anticipated economic impact and other factors at the discretion of the office. No more than  
19 \$5,000,000 may be awarded in any calendar year.

20           (2) An applicant for a live theater tax credit shall properly prepare, sign, and submit to the  
21 office an application for certification of the theater production. The application shall include  
22 information and data the office deems necessary for the evaluation and administration of the  
23 application, including, but not limited to, any information about the theater production company  
24 or its related partners or presenters and a specific Massachusetts live theater or musical  
25 production. The eligible theater production budget shall be not less than \$100,000. The  
26 maximum credit for any production shall not be more than \$5,000,000, or a lesser amount as  
27 determined by the office.

28           (3) The office shall review completed applications, determine whether they meet the  
29 requisite criteria and qualifications for certification, and award tax credits at their sole discretion.  
30 The office may issue a certification of the eligible theater production or presentation to the  
31 theater production company, co-producer or presenter and to the commissioner of revenue. The  
32 certification shall provide a unique identification number for the production and shall be a  
33 statement of conditional eligibility for the production.

34 (c) Upon completion of an eligible theater production for which a certification has been  
35 granted, the applicant shall properly prepare, sign, and submit to the office and the department of  
36 revenue a cost accounting in connection with the eligible theater production. The cost accounting  
37 shall contain a cost report and an accountant's certification. In computing payroll costs,  
38 production and performance expenditures, and transportation expenditures for which a credit will  
39 be claimed, an eligible theater production shall subtract any state funds, state loans or state  
40 guaranteed loans. The office and commissioner of revenue may rely, without independent  
41 investigation, upon an accountant's certification, in the form of an opinion, confirming the  
42 accuracy of the information included in the cost report.

43 (d) The office, in consultation with the commissioner of revenue, shall promulgate rules  
44 and regulations to carry out this section.

45 (e) The office, in conjunction with the commissioner of revenue, shall report on the  
46 impact of the live theater tax credit pursuant to subsection (dd) of section 6 of chapter 62 and  
47 section 38NN of chapter 63 of the General Laws and shall submit the report to the clerks of the  
48 house of representatives and the senate, the house and senate committees on ways and means and  
49 the joint committee on economic development and emerging technologies not later than  
50 December 31, 2028. The office and commissioner shall collaborate with the live theater industry  
51 to collect the relevant data for the report. Said report shall include data to assess the direct and  
52 indirect economic impacts of the live theater tax credit on the economy of the commonwealth,  
53 including estimates of theater tickets sales to domestic and international visitors, spending by  
54 live theater productions on adjacent businesses, wages paid for setting up and taking down  
55 productions, and impacts on businesses in proximity to theaters, including hotels and restaurants.

56 SECTION 2. Subparagraph (9) of paragraph (a) of part B of section 3 of chapter 62 of the  
57 General Laws, as so appearing, is hereby amended by striking out, in line 109, the figure “3,000”  
58 and inserting in place thereof the following figure:- 4,000.

59 SECTION 3. Subparagraph (15) of said paragraph (a) of said part B of said section 3 of  
60 said chapter 62, as so appearing, is hereby amended by inserting, in line 160, after the words  
61 “commuter boat”, the following words:-, or for regional transit authority passes, or for a  
62 bikeshare membership or for a bicycle including electric bikes, bicycle improvements, repair,  
63 and storage,”

64 SECTION 4. Said paragraph (a) of said part B of said section 3 of said chapter 62, as so  
65 appearing, is hereby further amended by adding the following subparagraph:-

66 (20) An amount equal to the amount of student loan payment assistance received by an  
67 individual from their employer during the taxable year, and not already excluded under section  
68 127 of the Code. For the purposes of this subparagraph, “student loan payment assistance” shall  
69 mean the payment of principal or interest on a qualified education loan, as defined in section 221  
70 of the Code.

71 SECTION 5. Paragraph (1) of subsection (a) of section 4 of said chapter 62, as so  
72 appearing, is hereby amended by inserting, in line 5, after the word “cent” the following words:-  
73 provided, however, that any gain from the sale or exchange of capital assets held for 1 year or  
74 less shall be taxed at the rate of 5 per cent.

75 SECTION 6. Subsection (e) of section 6 of said chapter 62, as so appearing, is hereby  
76 amended by striking out, in line 75, the words “one thousand five hundred dollars” and inserting  
77 in place thereof the following words:- \$3,000.

78 SECTION 7. Said subsection (e) of said section 6 of said chapter 62, as so appearing, is  
79 hereby further amended by striking out, in line 86, the words “five hundred dollars” and inserting  
80 in place thereof the following words:- \$1,000.

81 SECTION 8. Subsection (i) of said section 6 of said chapter 62, as so appearing, is  
82 hereby amended by striking out, in line 273, the figure “15,000” and inserting in place thereof  
83 the following figure:- 30,000.

84 SECTION 9. Said subsection (i) of said section 6 of said chapter 62, as so appearing, is  
85 hereby further amended by striking out, in line 277, the figure “1,500” and inserting in place  
86 thereof the following figure:- 4,000.

87 SECTION 10. Said subsection (i) of said section 6 of said chapter 62, as so appearing, is  
88 hereby further amended by striking out, in line 279, the figure “6,000” and inserting in place  
89 thereof the following figure:- 12,000.

90 SECTION 11. Paragraph (1) of subsection (j) of said section 6 of said chapter 62 of the  
91 General Laws, as so appearing, is hereby amended by striking out, in line 290, the figure “2023”  
92 and inserting in place thereof the following figure:- 2028.

93 SECTION 12. Said paragraph (1) of said subsection (j) of said section 6 of said chapter  
94 62, as so appearing, is hereby further amended by striking out, in line 296, the figure “2024” and  
95 inserting in place thereof the following figure:- 2029.

96 SECTION 13. Paragraph (4) of said subsection (j) of said section 6 of said chapter 62, as  
97 so appearing, is hereby amended by adding the following sentence:- For the purpose of the  
98 Brownfields Redevelopment Fund, state financial assistance shall mean the amount of any grant



99 or principal amount of any loan, but shall not include any loan principal repaid as of the date the  
100 credit application is filed with the commissioner. Net response and removal costs shall not  
101 include any reimbursement that is received, or will be received, by the applicant, or any amounts  
102 paid on behalf of the applicant from any source for these costs.

103 SECTION 14. Paragraph (2) of subsection (k) of said section 6 of said chapter 62, as so  
104 appearing, is hereby amended by striking out, in line 447, the figure “750” and inserting in place  
105 thereof the following figure:- 1,500.

106 SECTION 15. Paragraph (3) of subsection (o) of said section 6 of said chapter 62, as so  
107 appearing, is hereby amended by striking out, in line 732, the figure “6,000,000” and inserting in  
108 place thereof the following figure:- 8,000,000.

109 SECTION 16. Paragraph (5) of subsection (q) of said section 6 of said chapter 62, as so  
110 appearing, is hereby amended by striking out, in lines 896 to 898, inclusive, the words “The total  
111 amount of credits that may be authorized by DHCD in a calendar year pursuant to this subsection  
112 and section 38BB of chapter 63 shall not exceed \$10,000,000 and” and inserting in place thereof  
113 the following 3 sentences:- EOHLC may authorize up to \$30,000,000 in credits annually under  
114 this subsection and section 38BB of chapter 63. In addition, EOHLC may authorize annually (i)  
115 any portion of the annual cap on credits not authorized by EOHLC in the preceding calendar  
116 years under this subsection or said section 38BB of said chapter 63; and (ii) any credits under  
117 this subsection or said section 38BB of said chapter 63 returned to EOHLC by a certified  
118 housing development project. The total amount of credits authorized during a year.

119 SECTION 17. Said paragraph (5) of said subsection (q) of said section 6 of said chapter  
120 62, as so appearing, is hereby further amended by inserting, in line 900, after the words “chapter  
121 63;” the following word:- and.

122 SECTION 18. Said paragraph (5) of said subsection (q) of said section 6 of said chapter  
123 62, as so appearing, is hereby further amended by striking out, in lines 903 to 905, inclusive, the  
124 words “Any portion of the \$10,000,000 annual cap not awarded by the DHCD in a calendar year  
125 shall not be applied to awards in a subsequent year.”

126 SECTION 19. Said section 6 of chapter 62 of the General Laws is hereby further  
127 amended by striking out subsections (x) and (y), and inserting in place thereof the following  
128 subsection:-

129 (x)(1) As used in this subsection, the following words shall have the following meanings:

130 “Cost-of-living adjustment”, for any calendar year, the percentage, if any, by which the  
131 CPI for the preceding calendar year exceeds the CPI for calendar year 2023.

132 “CPI”, the consumer price index for any calendar year as defined in section 1 of the  
133 Code.

134 “Eligible dependent”, an individual who is either (i) under the age of 13 and who  
135 qualifies for exemption as a dependent under section 151 of the Code; or (ii) not less than 65  
136 years of age and who qualifies as a dependent under section 152 of the Code; or (iii) disabled and  
137 who qualifies as a dependent under section 152 of the Code.

138 (2) A taxpayer who maintains a household that includes as a member an eligible  
139 dependent shall be allowed a credit in an amount equal to \$600 for each such eligible dependent;

140 provided, that the credit provided in this subsection shall be allowed only if the taxpayer and the  
141 taxpayer's spouse file a joint return for the taxable year or if the taxpayer qualifies as a head of  
142 household under section 2(b) of the Code; and provided further, that for the purposes of this  
143 subsection, "maintains a household" shall have the same meaning as in section 21 of the Code.  
144 For each taxable year, the commissioner shall annually increase the amount of credit for each  
145 eligible dependent as provided by this subsection by an amount equal to such credit multiplied  
146 by the cost-of-living adjustment for the calendar year in which such taxable year begins. With  
147 respect to a taxpayer who is a non-resident for part of the taxable year, the credit shall be further  
148 limited to the amount of allowable credit multiplied by a fraction, the numerator of which shall  
149 be the number of days in the taxable year the person resided in the commonwealth and the  
150 denominator of which shall be the number of days in the taxable year. A person who is a non-  
151 resident for the entire taxable year shall not be allowed the credit. If the amount of the credit  
152 allowed under this subsection exceeds the taxpayer's tax liability, the commissioner shall treat  
153 the excess as an overpayment and shall pay the taxpayer the entire amount of the excess without  
154 interest.

155 SECTION 20. Paragraph (1) of subsection (v) of said section 6 of said chapter 62, as so  
156 appearing, is hereby amended by adding, in line 1158, after the words "NAICS code 31-33", the  
157 following words:- and other expansion industries the secretary of labor and workforce  
158 development identifies as critical to a regional labor market economy.

159 SECTION 21. Said section 6 of said chapter 62 of the General Laws, as amended by  
160 section 103 of chapter 268 of the acts of 2022, is hereby further amended by adding the  
161 following subsection:-

162 (dd)(1) As used in this subsection, the following words shall, unless the context clearly  
163 requires otherwise, have the following meanings:

164 “Advertising and public relations expenditure”, a cost incurred within the commonwealth  
165 by an eligible theater production for goods or services related to the marketing, public relations,  
166 creation and placement of print, electronic, television, billboards or other forms of advertising to  
167 promote the eligible theater production.

168 “Eligible theater production”, a live stage musical, dance or theatrical production or tour  
169 being presented in a qualified production facility that is either: (i) a pre-Broadway production;  
170 (ii) a pre-off Broadway production; (iii) a national tour launch; or (iv) a regional professional  
171 theater production.

172 “Eligible theater production certificate”, a certificate issued by the office, in consultation  
173 with the commissioner, certifying that a production is an eligible theater production that meets  
174 the rules or regulations of the office, and that it has been awarded a tax credit in a specified  
175 amount, pursuant to section 3M of chapter 23A.

176 “National tour launch”, a live stage production that, in its original or adaptive version, is  
177 performed in a qualified production facility and opens its national tour in the commonwealth.

178 “Office”, the Massachusetts office of business development established in section 1 of  
179 chapter 23A, or any constituent office thereof.

180 “Payroll”, all salaries, wages, fees and other compensation from sources within the  
181 commonwealth, including, but not limited to, taxes, benefits and any other consideration incurred  
182 or paid to talent and non-talent employees of the applicant for services rendered within the

183 commonwealth to and on behalf of an eligible theater production; provided, that the payroll  
184 expenditure shall be incurred or paid by the applicant for services related to any portion of an  
185 eligible theater production from its pre-production stages, including, but not limited to: (i) the  
186 writing of the script; (ii) casting; (iii) hiring of service providers; (iv) purchases from vendors;  
187 (v) marketing; (vi) advertising; (vii) public relations; (viii) load in; (ix) rehearsals; (x)  
188 performances; (xi) other eligible theater production related activities; and (xii) load out; and  
189 provided further, that the payroll expenditure shall be directly attributable to the eligible theater  
190 production and shall be limited to the first \$100,000 of wages incurred or paid to each employee  
191 of an eligible theater production in each tax year.

192 “Pre-Broadway production”, a live stage production that, in its original or adaptive  
193 version, is performed in a qualified production facility having a presentation scheduled for the  
194 city of New York’s Broadway theater district within 24 months after its presentation in the  
195 commonwealth.

196 “Pre-off Broadway production”, a live stage production that, in its original or adaptive  
197 version, is performed in a qualified production facility having a presentation scheduled for city  
198 of New York’s off-Broadway theater district within 24 months after its presentation in the  
199 commonwealth.

200 “Production and performance expenditures”, a contemporaneous exchange of cash or  
201 cash equivalent for goods or services related to development, production, performance or  
202 operating expenditures incurred in the commonwealth for a qualified theater production,  
203 including, but not limited to, expenditures for design, construction and operation, including sets,  
204 special and visual effects, costumes, wardrobes, make-up, accessories, costs associated with

205 sound, lighting, staging, advertising and public relations expenditures, facility expenses, rentals,  
206 per diems, accommodations and other related costs.

207 “Qualified production facility”, a facility located in the commonwealth in which live  
208 theater productions are, or are intended to be, exclusively presented that contains at least 1 stage,  
209 a seating capacity of not less than 175 seats, dressing rooms, storage areas and other ancillary  
210 amenities necessary for the eligible theater production.

211 “Regional professional theater production”, a live stage production that is performed in a  
212 qualified production facility with a professional cast and crew.

213 “Transportation expenditures”, expenses incurred in Massachusetts for the packaging,  
214 crating and transportation both to the commonwealth for use in a qualified theater production of  
215 sets, costumes or other tangible property constructed or manufactured out of state, or from the  
216 commonwealth after use in a qualified theater production of sets, costumes or other tangible  
217 property constructed or manufactured in the commonwealth and the transportation of the cast  
218 and crew to and from the commonwealth; provided, that “transportation expenditures” shall  
219 include any portion performed in Massachusetts of the packaging, crating and transporting of  
220 property and equipment used for special and visual effects, sound, lighting and staging,  
221 costumes, wardrobes, make-up and related accessories and materials and any other performance  
222 or production-related property and equipment.

223 (2) Any taxpayer that has been awarded an eligible theater production certificate and has  
224 completed a cost accounting pursuant to subsection (c) of section 3M of chapter 23A shall be  
225 allowed a tax credit against taxes imposed by this chapter. The credit shall not exceed  
226 \$5,000,000 and shall be limited to (i) 35 per cent of in-state payroll costs; (ii) 25 per cent of

227 production and performance expenditures; and (iii) 25 per cent of transportation expenditures.  
228 Additionally, the credit shall not exceed the amount of credit specified in the eligible theater  
229 production certificate.

230 (3) The tax credit shall be allowed against the tax for the taxable period in which the  
231 credit is issued and any amount of the tax credit that exceeds the tax due for a taxable year may  
232 be carried forward for not more than 5 succeeding tax years.

233 (4) If a taxpayer has not claimed the tax credits in whole or part, a taxpayer eligible for  
234 the tax credits may assign, transfer or convey the tax credits, in whole or in part, by sale or  
235 otherwise to any individual or entity and such assignee of the tax credits that have not claimed  
236 the tax credits, in whole or in part, may assign, transfer or convey the tax credits, in whole or in  
237 part, by sale or otherwise to any individual or entity. The assignee of the tax credits may use  
238 acquired credits to offset up to 100 per cent of the tax liabilities otherwise imposed pursuant to  
239 this chapter. The assignee may apply the tax credits against taxes imposed on the assignee for not  
240 more than 5 succeeding tax years from the date an eligible theater production certificate is first  
241 issued by the office. The assignor shall perfect the transfer by notifying the commissioner, in  
242 writing, within 30 calendar days following the effective date of the transfer and shall provide any  
243 information as may be required by the commissioner to administer and carry out this subsection.

244 SECTION 22. Subsection (a) of section 38Q of chapter 63 of the General Laws, as  
245 appearing in the 2020 Official Edition appearing, is hereby amended by striking out, in line 3,  
246 the figure “2023” and inserting in place thereof the following figure:- 2028.

247 SECTION 23. Said subsection (a) of said section 38Q of said chapter 63, as so appearing,  
248 is hereby further amended by striking out, in line 9, the figure “2024” and inserting in place  
249 thereof the following figure:- 2029.

250 SECTION 24. Subsection (d) of said section 38Q of said chapter 63, as so appearing, is  
251 hereby amended by adding the following sentence:- For the purpose of the Brownfields  
252 Redevelopment Fund, state financial assistance shall mean the amount of any grant or principal  
253 amount of any loan, but shall not include any loan principal repaid as of the date the credit  
254 application is filed with the commissioner. Net response and removal costs shall not include any  
255 reimbursement that is received, or will be received, by the applicant, or any amounts paid on  
256 behalf of the applicant from any source for these costs.

257 SECTION 25. Subsection (c) of section 38Z of said chapter 63, as so appearing, is hereby  
258 amended by striking out, in line 28, the figure “6,000,000” and inserting in place thereof the  
259 following figure:- 8,000,000.

260 SECTION 26. Subdivision (5) of section 38BB of said chapter 63, as so appearing, is  
261 hereby amended by striking out, in lines 42 to 44, inclusive, the words “The total amount of  
262 credits that may be authorized by DHCD in a calendar year under this section and subsection (q)  
263 of section (6) of chapter 62 shall not exceed \$10,000,000 and” and inserting in place thereof the  
264 following 3 sentences:- EOHLC may authorize up to \$30,000,000 in credits annually under this  
265 section and subsection (q) of section (6) of chapter 62. In addition, EOHLC may authorize  
266 annually (i) any portion of the annual cap on credits not authorized by EOHLC in the preceding  
267 calendar years under this section or said subsection (q) of said section (6) of said chapter 62; and  
268 (ii) any credits under this section or said subsection (q) of said section (6) of said chapter 62



269 returned to EOHLC by a certified housing development project. The total amount of credits  
270 authorized during a year.

271 SECTION 27. Said subdivision (5) of said section 38BB of said chapter 63, as so  
272 appearing, is hereby further amended by inserting, in line 46, after the words “chapter 62;” the  
273 following word:- and.

274 SECTION 28. Said subdivision (5) of said section 38BB of said chapter 63, as so  
275 appearing, is hereby further amended by striking out, in lines 50 to 52, inclusive, the words “Any  
276 portion of the \$10,000,000 annual cap not awarded by DHCD in a calendar year shall not be  
277 applied to awards in a subsequent year.”

278 SECTION 29. Subsection (a) of section 38HH of said chapter 63, as so appearing, is  
279 hereby amended by adding, in line 18, after the words “NAICS code 31-33”, the following  
280 words:- and other expansion industries the secretary of labor and workforce development  
281 identifies as critical to a regional labor market economy.

282 SECTION 30. Said chapter 63 is hereby further amended by inserting after section  
283 38MM, inserted by section 106 of chapter 268 of the acts of 2022, the following section:-

284 Section 38NN. (a) As used in this section, the following words shall, unless the context  
285 clearly requires otherwise, have the following meanings:

286 “Advertising and public relations expenditure”, a cost incurred within the commonwealth  
287 by an eligible theater production for goods or services related to the marketing, public relations,  
288 creation and placement of print, electronic, television, billboards or other forms of advertising to  
289 promote the eligible theater production.

290 “Eligible theater production”, a live stage musical, dance or theatrical production or tour  
291 being presented in a qualified production facility that is either: (a) a pre-Broadway production;  
292 (b) a pre-off Broadway production; (c) a national tour launch; or (iv) a regional professional  
293 theater production.

294 “Eligible theater production certificate”, a certificate issued by the office, in consultation  
295 with the commissioner, certifying that a production is an eligible theater production that meets  
296 the rules or regulations of the office, and that it has been awarded a tax credit in a specified  
297 amount, pursuant to section 3M of chapter 23A.

298 “National tour launch”, a live stage production that, in its original or adaptive version, is  
299 performed in a qualified production facility and opens its national tour in the commonwealth.

300 “Office”, the Massachusetts office of business development established in section 1 of  
301 chapter 23A, or any constituent office thereof.

302 “Payroll”, all salaries, wages, fees and other compensation from sources within the  
303 commonwealth, including, but not limited to, taxes, benefits and any other consideration incurred  
304 or paid to talent and non-talent employees of the applicant for services rendered within the  
305 commonwealth to and on behalf of an eligible theater production; provided, that the payroll  
306 expenditure shall be incurred or paid by the applicant for services related to any portion of an  
307 eligible theater production from its pre-production stages, including, but not limited to: (a) the  
308 writing of the script, (b) casting, (c) hiring of service providers, (d) purchases from vendors, (e)  
309 marketing, (f) advertising, (g) public relations, (h) load in, (i) rehearsals, (j) performances, (k)  
310 other eligible theater production related activities, and (l) load out; and provided further, that the  
311 payroll expenditure shall be directly attributable to the eligible theater production and shall be

312 limited to the first \$100,000 of wages incurred or paid to each employee of an eligible theater  
313 production in each tax year.

314 “Pre-Broadway production”, a live stage production that, in its original or adaptive  
315 version, is performed in a qualified production facility having a presentation scheduled for city  
316 of New York’s Broadway theater district within 24 months after its presentation in the  
317 commonwealth.

318 “Pre-off Broadway production”, a live stage production that, in its original or adaptive  
319 version, is performed in a qualified production facility having a presentation scheduled for the  
320 city of New York’s off-Broadway theater district within 24 months after its presentation in the  
321 commonwealth.

322 “Production and performance expenditures”, a contemporaneous exchange of cash or  
323 cash equivalent for goods or services related to development, production, performance or  
324 operating expenditures incurred in the commonwealth for a qualified theater production,  
325 including, but not limited to, expenditures for design, construction and operation, including sets,  
326 special and visual effects, costumes, wardrobes, make-up, accessories, costs associated with  
327 sound, lighting, staging, advertising and public relations expenditures, facility expenses, rentals,  
328 per diems, accommodations and other related costs.

329 “Qualified production facility”, a facility located in the commonwealth in which live  
330 theater productions are, or are intended to be, exclusively presented that contains at least 1 stage,  
331 a seating capacity of not less than 175 seats, dressing rooms, storage areas and other ancillary  
332 amenities necessary for the eligible theater production.

333 "Regional professional theater production", a live stage production that is performed in a  
334 qualified production facility with a professional cast and crew.

335 "Transportation expenditures", expenses incurred in Massachusetts for the packaging,  
336 crating and transportation both to the commonwealth for use in a qualified theater production of  
337 sets, costumes or other tangible property constructed or manufactured out of state, or from the  
338 commonwealth after use in a qualified theater production of sets, costumes or other tangible  
339 property constructed or manufactured in the commonwealth and the transportation of the cast  
340 and crew to and from the commonwealth; provided, that "transportation expenditures" shall  
341 include any portion performed in Massachusetts of the packaging, crating and transporting of  
342 property and equipment used for special and visual effects, sound, lighting and staging,  
343 costumes, wardrobes, make-up and related accessories and materials and any other performance  
344 or production-related property and equipment.

345 (b) Any taxpayer that has been awarded an eligible theater production certificate and has  
346 completed a cost accounting pursuant to subsection (c) of section 3M of chapter 23A shall be  
347 allowed a tax credit against taxes imposed by this chapter. The credit shall not exceed  
348 \$5,000,000 and shall be limited to (i) 35 per cent of the total in-state payroll costs; (ii) 25 per  
349 cent of the production and performance expenditures; and (iii) 25 per cent of transportation  
350 expenditures. Additionally, the credit shall not exceed the amount of credit specified in the  
351 eligible theater production certificate.

352 (c) The tax credit shall be allowed against the tax for the taxable period in which the  
353 credit is issued and any amount of the tax credit that exceeds the tax due for a taxable year may  
354 be carried forward for not more than 5 succeeding tax years.

355 (d) If a taxpayer has not claimed the tax credits in whole or part, a taxpayer eligible for  
356 the tax credits may assign, transfer or convey the tax credits, in whole or in part, by sale or  
357 otherwise to any individual or entity and such assignee of the tax credits that have not claimed  
358 the tax credits, in whole or in part, may assign, transfer or convey the tax credits, in whole or in  
359 part, by sale or otherwise to any individual or entity. The assignee of the tax credits may use  
360 acquired credits to offset up to 100 per cent of the tax liabilities otherwise imposed pursuant to  
361 this chapter. The assignee may apply the tax credits against taxes imposed on the assignee for not  
362 more than 5 succeeding tax years from the date an eligible theater production certificate is first  
363 issued by the office. The assignor shall perfect the transfer by notifying the commissioner, in  
364 writing, within 30 calendar days following the effective date of the transfer and shall provide any  
365 information as may be required by the commissioner to administer and carry out this section.

366 (e) Credits allowed to corporations that are included in a combined group within the  
367 meaning of section 32B may be shared with other corporations within such group that are also  
368 doing business in Massachusetts, to the extent those corporations are engaged in a unitary  
369 business.

370 (f) Credits allowed to a company that is a S corporation, as defined in section 1361 of the  
371 Code, partnership or a limited liability company that is taxed as a partnership shall be passed  
372 through respectively to persons designated as partners, members or owners of such companies on  
373 a pro rata basis or pursuant to an executed agreement among such persons designated as S  
374 corporation shareholders, partners or members documenting an alternate distribution method  
375 without regard to their sharing of other tax or economic attributes of such entity.

376 (g) The commissioner shall promulgate such rules and regulations necessary for the  
377 administration of this section.

378 SECTION 31. Section 2A of chapter 65C of the General Laws, as appearing in the 2020  
379 Official Edition, is hereby amended by striking out subsection (a) and inserting in place the  
380 following subsection:-

381 (a) A tax is hereby imposed upon the transfer of the estate of each person dying on or  
382 after January 1, 1997 who, at the time of death, was a resident of the commonwealth. The  
383 amount of the tax shall be equal to the credit for state death taxes that would have been allowable  
384 to a decedent's estate as computed under Code section 2011, as in effect on December 31, 2000,  
385 hereinafter referred to as the "credit". If the federal gross estate of a person includes real or  
386 tangible personal property located outside of the commonwealth at the time of death, the tax  
387 shall be reduced by an amount equal to the proportion of such allowable credit as the value of  
388 such real or tangible personal property located outside of the commonwealth bears to the value  
389 of the entire federal gross estate wherever situated, as determined under Code section 2011, as in  
390 effect on December 31, 2000.

391 SECTION 32. Said section 2A of said chapter 65C, as so appearing, is hereby further  
392 amended by adding the following 2 subsections:-

393 (f) For the estates of decedents dying on or after July 1, 2023, a credit shall be allowed  
394 against the tax imposed by subsections (a) and (b) equal to the amount of such tax; provided,  
395 however, that the credit shall not exceed \$182,000.

396 (g) The estates of decedents dying on or after July 1, 2023 shall not be required to pay  
397 any tax under subsections (a) and (b) if the value of the federal taxable estate is not more than  
398 \$3,000,000.

399 SECTION 33. Section 21 of chapter 138 of the General Laws, as so appearing, is hereby  
400 amended by striking out, in lines 20 and 21, the words “six per cent of alcohol by weight” and  
401 inserting in place thereof the following words:- 8½ per cent of alcohol by volume.; and

402 SECTION 34. Said section 21 of said chapter 138, as so appearing, is hereby further  
403 amended by striking out, in line 25, the word “six” and inserting in place thereof the following  
404 figure:- 8 ½

405 SECTION 35. Sections 46, 48, 61, 63 and 124A of chapter 287 of the acts of 2014, as  
406 most recently amended by section 26 of chapter 99 of the acts of 2018, are hereby repealed.

407 SECTION 36. Notwithstanding any general or special law to the contrary, in calendar  
408 year 2023, the executive office of housing and livable communities may authorize up to  
409 \$50,000,000 in credits under subsection (q) of section (6) of chapter 62 of the General Laws and  
410 section 38BB of chapter 63 of the General Laws. Any portion of this amount that is not  
411 authorized in calendar year 2023 shall be added to the amount the executive office of housing  
412 and livable communities may authorize in subsequent years under said subsection (q) of said  
413 section (6) of said chapter 62 and said section 38BB of said chapter 63.

414 SECTION 37. Sections 31 and 32 shall take effect for the estates of decedents dying on  
415 or after January 1, 2023.

416 SECTION 38. Sections 1, 21, and 30 shall apply to tax years beginning on or after  
417 January 1, 2024.

418 SECTION 39. Section 1 is hereby repealed.

419 SECTION 40. Sections 21 and 30 are hereby repealed.

420 SECTION 41. Section 39 shall take effect on January 1, 2029.

421 SECTION 42. Section 40 shall apply to tax years beginning on or after January 1, 2035.

422 SECTION 43. Except as otherwise specified, this act shall take effect for taxable years  
423 beginning on or after January 1, 2023.