

**SENATE . . . . . No. 135**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Joan B. Lovely*

*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 encouraging the growth of small businesses.

PETITION OF:

NAME:

*Joan B. Lovely*

DISTRICT/ADDRESS:

*Second Essex*

**SENATE . . . . . No. 135**

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By Ms. Lovely, a petition (accompanied by bill, Senate, No. 135) of Joan B. Lovely for legislation to encourage the growth of small businesses. Community Development and Small Businesses.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE SENATE, NO. 153 OF 2021-2022.]

**The Commonwealth of Massachusetts**

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

An Act encouraging the growth of small businesses.

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

1           The General Laws, as appearing in the 2020 Official Edition, is hereby amended by  
2 inserting after chapter 93L the following new chapter:-

3           Chapter 93M, Bona Fide Business Entities

4           Section 1. A business entity that provides services under a written contract is not an  
5 employee for the purposes of Title IX, Taxation, and Title XXI, Labor and Industries, provided  
6 that the business entity is bona fide. A business entity will be deemed to be bona fide if it is  
7 shown that:

8           (a) The business entity is registered as such with the secretary of the commonwealth and  
9 is in good standing;

10           (b) The business entity includes the compensation it receives for the services it renders on  
11 federal and applicable state tax schedules as income from an independent business or profession;

12           (c) The business entity reports the compensation paid to its employees, if any, to the  
13 Internal Revenue Service and the Massachusetts department of revenue; and

14           (d) The business entity complies with federal and state tax, unemployment insurance,  
15 workers' compensation insurance, and labor and employment law obligations with respect to its  
16 employees.