

SENATE No. 01487

The Commonwealth of Massachusetts

PRESENTED BY:

Richard T. Moore

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 establishing a health care electronic prescribing tax credit.

PETITION OF:

NAME:

Richard T. Moore

DISTRICT/ADDRESS:

Worcester and Norfolk

SENATE No. 01487

By Mr. Moore, petition (accompanied by bill, Senate, No. 1487) of Moore for legislation to establish a health care electronic prescribing tax credit [Joint Committee on Revenue].

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
□ SENATE
□ , NO. 1299 OF 2009-2010.]

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act establishing a health care electronic prescribing 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. Chapter 63 of the General Laws, as appearing in the 2008 Official
2 Edition, is hereby amended by inserting the following section at the end thereof:--

3 Chapter 63: Section 38U. Tax Credit for Corporations Who Adopt Electronic
4 Prescribing Capability

5 (a) In determining the net income subject to tax under this chapter, a business
6 corporation may deduct, in addition to any other allowable deduction under this chapter, the
7 expenditures paid or incurred during the taxable year with respect to the installation of any
8 technology and infrastructure necessary to adopt and utilize electronic prescribing capabilities
9 thereby including the cost of labor attendant to the installation thereof; provided, however, that

10 such electronic prescribing system has a situs in the commonwealth, is used exclusively in the
11 trade or business of such corporation and the physicians within said corporation are duly licensed
12 pursuant to Section 2 of Chapter 112 of the Massachusetts General Laws.

13 (b) Such deduction shall be allowed only--

14 (1) on condition that the net income for the taxable year and all succeeding taxable years be
15 computed without any exemption, credit or deduction for such expenditures or for depreciation
16 of the property other than the deductions allowed by this section, and

17 (2) with respect to the installation of any technology and infrastructure necessary to adopt and
18 utilize electronic prescribing capabilities and such capabilities have already been in use by the
19 duly licensed physicians within said corporation within the taxable year.

20 (c) If expenditures with respect to any technology and infrastructure necessary to adopt and
21 utilize electronic prescribing capabilities thereby including the cost of labor attendant to the
22 installation thereof have been deducted as provided herein and if within ten years from the end of
23 the taxable year in which such deduction was allowed such unit or system or any part thereof is
24 used other than exclusively in the corporation's trade or business, the corporation shall report
25 such change of use in its return for the first taxable year during which it occurs, and the
26 commissioner may recompute the tax for the year or years for which such deduction was allowed
27 and may assess any additional tax resulting from such recomputation within the period of
28 assessment applicable to such return.

29 (d) In any taxable year when property is sold or otherwise disposed of, with respect to which a
30 deduction has been allowed pursuant to this section, such deduction shall be disregarded in
31 computing gain or loss, and the gain or loss on the sale or other disposition of such property shall

32 be the gain or loss resulting if the deduction provided by this section had not been elected and the
33 cost or other basis of the technology and infrastructure necessary to adopt and utilize electronic
34 prescribing capabilities had been reduced by straight-line depreciation based on the useful life of
35 such unit or system; provided, however, that if such sale or other disposition of such unit or
36 system occurs within three years of the date such unit or system is placed in service the basis
37 shall be zero.

38 (e) Any technology and infrastructure necessary to adopt and utilize electronic prescribing
39 capabilities thereby which qualifies for the deduction provided for by this section shall not be
40 subject to taxation under the tangible property measure of the excise imposed by subclause (i) of
41 clause (1) of subparagraph (a) of the fourth paragraph of section 39 of this Chapter.