

HOUSE No. 234

The Commonwealth of Massachusetts

PRESENTED BY:

Adam Scanlon

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:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Adam Scanlon</i>	<i>14th Bristol</i>	<i>1/10/2023</i>
<i>Bud L. Williams</i>	<i>11th Hampden</i>	<i>2/8/2023</i>
<i>Colleen M. Garry</i>	<i>36th Middlesex</i>	<i>2/15/2023</i>

HOUSE No. 234

By Representative Scanlon of North Attleborough, a petition (accompanied by bill, House, No. 234) of Adam Scanlon, Bud L. Williams and Colleen M. Garry relative to bona fide business entities and encouraging the growth of small businesses. Community Development and Small Businesses.

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 Section 1. The Massachusetts General Laws, as appearing in the 2020 Official Edition, is
2 hereby amended by 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.