

HOUSE No. 2739

The Commonwealth of Massachusetts

PRESENTED BY:

Michelle L. Ciccolo

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 providing for a local option transportation excise tax on large employers.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Michelle L. Ciccolo</i>	<i>15th Middlesex</i>	<i>1/19/2023</i>

HOUSE No. 2739

By Representative Ciccolo of Lexington, a petition (accompanied by bill, House, No. 2739) of Michelle L. Ciccolo relative to providing for a local option transportation excise tax on large employers. Revenue.

The Commonwealth of Massachusetts

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

An Act providing for a local option transportation excise tax on large employers.

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 General Laws are hereby amended by inserting after chapter 64N the
2 following chapter:-

3 CHAPTER 64OE.

4 Section 1. As used in this chapter, the following terms shall, unless the context clearly
5 requires otherwise, have the following meanings:

6 “Commissioner”, the commissioner of the department of revenue.

7 “Department”, the department of revenue.

8 “Disregarded entity”, an entity that is disregarded as a separate entity from its owner for
9 federal income tax purposes.

10 “Employee”, a person defined in clause (h) of section 1 of chapter 151A; provided that an
11 employee shall include a person who physically commutes to an employer’s location in the
12 commonwealth regardless of residence and a person who resides in the commonwealth and
13 works for an employer with a physical presence in the Commonwealth.

14 “Employer”, a business corporation, non-governmental employer, partnership, or
15 disregarded entity with a physical presence in the Commonwealth.

16 Section 2. A city or town that accepts this chapter in the manner provided in section 4 of
17 chapter 4 may impose a local corporate transportation excise tax upon employers who annually
18 employ more than 50 employees who travel to work within the Commonwealth.

19 Section 3. An employer who annually employs 50-99 employees in the commonwealth
20 shall pay an excise tax amount of \$10 per employee, per year, less any annual payments made by
21 said employer for public transit purposes to employees, the Commonwealth, or the local
22 municipality.

23 Section 4. An employer who annually employs 100-149 employees in the commonwealth
24 shall pay an excise tax of \$20 per employee, per year, less any annual payments made by said
25 employer for public transit purposes to employees, the Commonwealth, or the local municipality.

26 Section 5. An employer who annually employs 150-249 employees in the commonwealth
27 shall pay an excise tax amount of \$40 per employee, per year, less any annual payments made by
28 said employer for public transit purposes to employees, the Commonwealth, or the local
29 municipality.

30 Section 6. An employer who annually employs 250-499 employees in the commonwealth
31 shall pay an excise tax amount of \$60 per employee, per year, less any annual payments made by
32 said employer for public transit purposes to employees, the Commonwealth, or the local
33 municipality.

34 Section 7. An employer who annually employs 500-999 in the commonwealth shall pay
35 an excise tax amount of \$80 per employee, per year, less any annual payments made by said
36 employer for public transit purposes to employees, the Commonwealth, or the local municipality.

37 Section 8. An employer who annually employs 1,000 or more employees in the
38 commonwealth shall pay an excise tax amount of \$100 per employee, per year, less any annual
39 payments made by said employer for public transit purposes to employees, the Commonwealth,
40 or the local municipality.

41 Section 9. Each employer shall remit the excise tax amount owed to the department in a
42 form and manner determined by the department. All sums received by the commissioner under
43 this chapter shall, at least quarterly, be distributed, credited and paid by the state treasurer upon
44 certification of the commissioner to each city or town that has accepted this chapter in proportion
45 to the assessment provided in this chapter to be used by the municipality for public
46 transportation-related purposes.

47 Section 10. The department, in consultation with the executive office of labor and
48 workforce development, shall establish by regulation the mechanism for administering the excise
49 tax payor's obligations under this chapter and shall deduct from an individual entity's liability
50 any annual payments said entity makes to or for in-state Massachusetts employees for public
51 transit subsidies.

52 Section 11. The department, in consultation with the executive office of labor and
53 workforce development, shall establish by regulation an appropriate mechanism for enforcing an
54 excise tax payor's liability to the city or town that has accepted this chapter if an excise tax payor
55 does not make a payment to the commissioner. Such enforcement mechanisms may include
56 assessment of interest on the unpaid liability at a rate not to exceed an annual percentage rate of
57 18 percent and late fees or penalties at a rate not to exceed 5 percent per month.

58 SECTION 2. The department of revenue shall promulgate regulations to implement this
59 act within 180 days of the passage of this act.

60 SECTION 3. Section 1 shall take effect 270 days after the passage of this act.