

**HOUSE . . . . . No. 2940**

---

**The Commonwealth of Massachusetts**

PRESENTED BY:

*Lindsay N. Sabadosa and Paul W. Mark*

*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 relative to supporting local journalism.**

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Lindsay N. Sabadosa</i>	<i>1st Hampshire</i>	<i>1/19/2023</i>
<i>Paul W. Mark</i>	<i>Berkshire, Hampden, Franklin and Hampshire</i>	<i>1/20/2023</i>
<i>Bud L. Williams</i>	<i>11th Hampden</i>	<i>1/20/2023</i>
<i>James K. Hawkins</i>	<i>2nd Bristol</i>	<i>1/27/2023</i>

**HOUSE . . . . . No. 2940**

By Representative Sabadosa of Northampton and Senator Mark, a joint petition (accompanied by bill, House, No. 2940) of Lindsay N. Sabadosa, Paul W. Mark and others relative to providing tax credits for subscriptions to one or more local newspapers. Revenue.

**The Commonwealth of Massachusetts**

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

An Act relative to supporting local journalism.

*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 62 of the General Laws is hereby amended by inserting into  
2 Section 6, the following subsection: (aa) Local Newspaper Subscription Credit.

3 Section 6.(aa) As used in this section, the following words shall have the following  
4 meanings:

5 i. “Annual Dollar Limitation,” the credit allowed to any taxpayer for any taxable year  
6 shall not exceed \$250.

7 ii. “Applicable Percentage,” in the case of the first taxable year to which this section  
8 applies, 80 percent, and, in the case of any subsequent taxable year, 50 percent.

9 iii. “Local Newspaper,” any print or digital publication if

10 (a) the primary content of such publication is original content derived from primary  
11 sources and relating to news and current events,

12 (b) such publication primarily serves the needs of a regional or local community in the  
13 Commonwealth,

14 (c) the publisher of such publication employs at least one local news journalist who  
15 resides in such regional or local community, and

16 (d) the publisher of such publication employs not greater than 500 employees.

17 bb. There shall be allowed as a credit against the tax imposed by this chapter for the  
18 taxable year an amount equal to the applicable percentage of amounts paid or incurred for  
19 subscriptions to one or more local newspapers for the personal use of the taxpayer and any  
20 dependents up to the annual dollar limitation.

21 cc. In the case of any print or digital publication which is published by any organization  
22 described in section 501(c) of the United States Internal Revenue Code (26 U.S.C. § 501(c)) and  
23 exempt from tax under section 501(a) of the Internal Revenue Code, such publication shall be  
24 treated as a local newspaper only if the publication of print and digital publications is the primary  
25 activity of such organization.

26 SECTION 2. Chapter 63 of the General Laws is hereby amended by inserting the  
27 following:

28 Section 38KK. Payroll Credit for Compensation of Local News Journalists.

29 Section 38KK. As used in this section, the following words shall have the following  
30 meanings:

31 (i) "Applicable percentage," in the case of each of the first four calendar quarters to  
32 which this section applies, 50 percent and, in the case of each calendar quarter thereafter, 30  
33 percent.

34 (ii) "Eligible local newspaper publisher," any employer if substantially all of the gross  
35 receipts of such employer for such calendar quarter are derived in the trade or business of  
36 publishing local newspapers as defined in Section 6 of Chapter 62.

37 (iii) "Local news journalist," with respect to any eligible local newspaper publisher for  
38 any calendar quarter, any individual who provides at least 100 hours of service as a local news  
39 journalist as defined in Section 6 of Chapter 62 during such calendar quarter to such eligible  
40 local newspaper publisher.

41 (iv) "Department," the Department of Revenue.

42 (a) In the case of an eligible local newspaper publisher, there shall be allowed as a credit  
43 against the taxes imposed by this chapter for each calendar quarter an amount equal to the  
44 applicable percentage of wages paid by such publisher to local news journalists for such calendar  
45 quarter.

46 (b) The amount of wages paid with respect to any individual which may be taken into  
47 account during any calendar quarter by the eligible local newspaper publisher shall not exceed  
48 \$12,500.

49 (c) The credit allowed with respect to any calendar quarter shall not exceed the applicable  
50 employment taxes on the wages paid with respect to the employment of all the employees of the  
51 eligible local newspaper publisher for such calendar quarter.

52 (d) If the amount of the credit exceeds the limitation of paragraph (c) for any calendar  
53 quarter, such excess shall be treated as an overpayment that shall be refunded. Any amounts due  
54 to the employer under this paragraph shall be treated in the same manner as a refund due from a  
55 credit provision referred to in subsection (b) of this section.

56 (e) This section shall not apply with respect to any eligible local newspaper publisher for  
57 any calendar quarter if such person elects not to have this section apply.

58 (f) The Department shall waive any penalty under section 35A of Chapter 62C of the  
59 General Laws for any failure to make a deposit of any applicable employment taxes if the  
60 Department determines that such failure was due to the reasonable anticipation of the credit  
61 allowed under this section.

62 (g) This section shall only apply to calendar quarters during the first 5 calendar years  
63 beginning after the date of the enactment of this Act.

64 SECTION 3. Chapter 63 of the General Laws is hereby amended by inserting the  
65 following Section 38LL. Credit for Advertising in Local Newspapers and Local Media. As used  
66 in this section, the following words shall have the following meanings:

67 (i) ‘Eligible small business,’ any business for any taxable year if the average number of  
68 full-time employees employed by such a business during such taxable year was less than 50.

69 (ii) ‘Applicable percentage,’ in the case of the first taxable year to which this section  
70 applies, 80 percent and, in the case of any subsequent taxable year, 50 percent.

71 (a) In the case of any eligible small business, the local media advertising credit  
72 determined under this section for any taxable year is an amount equal to the applicable

73 percentage of the qualified local media advertising expenses paid or incurred by the taxpayer  
74 during such taxable year.

75 (b) The credit allowed under subsection (a) to any taxpayer for any taxable year shall not  
76 exceed, in the case of the first taxable year to which this section applies, \$5,000, and, in the case  
77 of any subsequent taxable year, \$2,500.

78 (c) This section shall only apply to calendar quarters during the first 5 calendar years  
79 beginning after the date of the enactment of this Act.