

SENATE No. 1920

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 relative to the advanced payment of sales tax.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: | |
|---------------------------|-------------------------|------------------|
| <i>Joan B. Lovely</i> | <i>Second Essex</i> | |
| <i>Michael O. Moore</i> | <i>Second Worcester</i> | <i>3/8/2021</i> |
| <i>Elizabeth A. Malia</i> | <i>11th Suffolk</i> | <i>3/15/2021</i> |

SENATE No. 1920

By Ms. Lovely, a petition (accompanied by bill, Senate, No. 1920) of Joan B. Lovely, Michael O. Moore and Elizabeth A. Malia for legislation relative to the advanced payment of sales tax. Revenue.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Second General Court
(2021-2022)**

An Act relative to the advanced payment of sales tax.

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 16B of chapter 62C of the General Laws, as created by section 30 of Chapter 227
2 of the acts of 2020, is hereby amended by striking the section in its entirety and inserting in place
3 thereof the following new section:-

4 Section 16B. Notwithstanding the due date of the return as set forth in section 16 or the
5 payment date as set forth in section 32 or any other general or special law to the contrary, a
6 payment of tax shall be made in advance of the filing of the return required under subsection (g)
7 or (h) of said section 16 not later than the twenty-fifth day of the last month of the filing period;
8 provided, however, that such payment shall include either (i) the tax collected for any taxable
9 sale made during the days in the filing period occurring on or before the twenty-first day of the
10 last month of the filing period or (ii) 75% of the liability for the same calendar month of the
11 preceding year; provided further, that this section shall not apply to operators whose cumulative
12 room occupancy excise liability in the immediately preceding calendar year with respect to

13 returns filed under said subsection (g) of said section 16 is not more than \$150,000; provided
14 further, that this section shall not apply to vendors whose cumulative sales tax liability in the
15 immediately preceding calendar year with respect to returns filed under said subsection (h) of
16 said section 16 is not more than \$150,000; provided further, that this section shall not apply to a
17 materialman who files a return with the commissioner pursuant to said subsection (h) of said
18 section 16; and provided further, that tax collected for any taxable sale made during the
19 remaining days of the filing period for which tax was not previously remitted shall be remitted at
20 the time the return for that filing period is required to be filed.

21 A penalty of 5 percent of the amount of an underpayment shall be imposed, unless such
22 underpayment is due to a reasonable cause; provided, however, that such penalty shall not be
23 imposed if the payment made on or before the date prescribed in this section is not less than 70
24 percent of the total tax collected during the filing period. For the purposes of this paragraph, the
25 term “underpayment” shall mean the excess of the amount of the payment required under this
26 section over the amount, if any, paid on or before the date prescribed therefor.

27 The department of revenue shall issue regulations and guidance necessary to implement
28 this section.