

**HOUSE . . . . . No. 4480**

**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 transportation excise tax.**

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Michelle L. Ciccolo</i>	<i>15th Middlesex</i>
<i>Natalie M. Higgins</i>	<i>4th Worcester</i>
<i>Maria Duaine Robinson</i>	<i>6th Middlesex</i>
<i>Tricia Farley-Bouvier</i>	<i>3rd Berkshire</i>
<i>Carmine Lawrence Gentile</i>	<i>13th Middlesex</i>
<i>Tram T. Nguyen</i>	<i>18th Essex</i>
<i>Jonathan Hecht</i>	<i>29th Middlesex</i>
<i>Tami L. Gouveia</i>	<i>14th Middlesex</i>
<i>Lindsay N. Sabadosa</i>	<i>1st Hampshire</i>
<i>Peter Capano</i>	<i>11th Essex</i>
<i>Mike Connolly</i>	<i>26th Middlesex</i>
<i>Christine P. Barber</i>	<i>34th Middlesex</i>
<i>Russell E. Holmes</i>	<i>6th Suffolk</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>
<i>Christopher Hendricks</i>	<i>11th Bristol</i>
<i>Elizabeth A. Malia</i>	<i>11th Suffolk</i>
<i>Kay Khan</i>	<i>11th Middlesex</i>
<i>Marcos A. Devers</i>	<i>16th Essex</i>

<i>Jack Patrick Lewis</i>	<i>7th Middlesex</i>
<i>Nika C. Elugardo</i>	<i>15th Suffolk</i>
<i>Joan Meschino</i>	<i>3rd Plymouth</i>
<i>David Paul Linsky</i>	<i>5th Middlesex</i>
<i>David M. Rogers</i>	<i>24th Middlesex</i>

**HOUSE . . . . . No. 4480**

By Mrs. Ciccolo of Lexington, a petition (subject to Joint Rule 12) of Michelle L. Ciccolo and others for legislation to create a transportation excise tax to be levied on certain businesses. Revenue.

**The Commonwealth of Massachusetts**

**In the One Hundred and Ninety-First General Court  
(2019-2020)**

An Act providing for a transportation excise 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 1. Chapter 63 of the General Laws is hereby amended by inserting after  
2 section 39C the following section:-

3 Section 39D. (a) Every business corporation, non-governmental employer, partnership or  
4 disregarded entity shall pay, on account of each taxable year, the transportation excise tax  
5 provided in subsection (b).

6 (b)(i) If the business corporation, non-governmental employer, partnership or disregarded  
7 entity employs 100 to 499 in-state Massachusetts employees, it shall pay an excise tax amount  
8 equal to the product of (A) the ratio of the in-state Massachusetts employees of the business  
9 corporation, partnership, or disregarded entity to the total number of in-state Massachusetts  
10 employees from the aggregate of all business corporations, partnerships or disregarded entities  
11 owing excise tax under this clause, multiplied by (B) the total excise tax amount under this  
12 clause. The total excise tax amount from all business corporations, partnerships or disregarded

13 entities shall be \$80,000,000 (approximately \$100/employee based on 2017 employment data  
14 from the executive office of labor and workforce development);

15 (ii) If the business corporation, non-governmental employer, partnership, or disregarded  
16 entity employs 500 to 999 in-state Massachusetts employees, it shall pay an excise tax amount  
17 equal to the product of (A) the ratio of the in-state Massachusetts employees of the business  
18 corporation, partnership, or disregarded entity to the total number of in-state Massachusetts  
19 employees from the aggregate of all business corporations, partnerships or disregarded entities  
20 owing excise tax under this clause, multiplied by (B) the total excise tax amount under this  
21 clause. The total excise tax amount from all business corporations, partnerships or disregarded  
22 entities shall be \$50,000,000 (approximately \$225/employee based on 2017 employment data  
23 from the executive office of labor and workforce development); or

24 (iii) If the business corporation, non-governmental employer, partnership or disregarded  
25 entity employs 1,000 or more in-state Massachusetts employees, it shall pay an excise tax  
26 amount equal to the product of (A) the ratio of the in-state Massachusetts employees of the  
27 business corporation, partnership, or disregarded entity to the total number of in-state  
28 Massachusetts employees from the aggregate of all business corporations, partnerships or  
29 disregarded entities owing excise tax under this clause, multiplied by (B) the total excise tax  
30 amount under this clause. The total excise tax amount from all business corporations,  
31 partnerships or disregarded entities shall be \$170,000,000 (approximately \$350/employee based  
32 on 2017 employment data from the executive office of labor and workforce development).

33 (c) The total transportation excise tax assessment amount from all business corporations,  
34 non-governmental employers, partnerships, or disregarded entities in this section shall not  
35 exceed \$300,000,000.

36 (d) Annually, before October 1, the department of revenue, in consultation with the  
37 executive office of labor and workforce development, shall establish each liability of a business  
38 corporation, non-governmental employer, partnership or disregarded entity to pay the excise tax.  
39 Each business corporation, non-governmental employer, partnership or disregarded entity shall  
40 pay the excise tax amount to the department for deposit in the Commonwealth Transportation  
41 Fund established in section 2ZZZ of chapter 29 for financing transportation related purposes.

42 (e) The department of revenue, in consultation with the executive office of labor and  
43 workforce development, shall establish by regulation the mechanism for administering the excise  
44 tax payor's obligations under this section and shall deduct from an individual entity's liability  
45 any regular annual payments said entity makes to or for in-state Massachusetts employees for  
46 public transit subsidies.

47 (f) The department of revenue, in consultation with the executive office of labor and  
48 workforce development, shall establish by regulation an appropriate mechanism for enforcing an  
49 excise tax payor's liability to the Fund if an excise tax payor does not make a payment to the  
50 Fund. Such enforcement mechanism may include assessment of interest on the unpaid liability at  
51 a rate not to exceed an annual percentage rate of 18 per cent and late fees or penalties at a rate  
52 not to exceed 5 per cent per month.

53 (g) For the purposes of this section the term "employee" shall have the same meaning as  
54 provided in clause (h) of section 1 of chapter 151A.

55           SECTION 2. The department of revenue shall promulgate regulations to implement this  
56 act within 180 days of the effective date of this act.

57           SECTION 3. Section 1 shall take effect on January 1, 2021.