SENATE DOCKET, NO. FILED ON: 1/13/2009

**SENATE . . . . . . . . . . . . . . No.**

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The Commonwealth of Massachusetts

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

PRESENTED BY:

**Cynthia Stone Creem**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

*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 passage of the accompanying bill:

An Act to prevent tax fraud.

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

PETITION OF:

|  |  |
| --- | --- |
| Name: | District/Address: |
| Cynthia Stone Creem | First Middlesex and Norfolk |

[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE SENATE, NO. S01719 OF 2007-2008.]

The Commonwealth of Massachusetts

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**In the Year Two Thousand and Nine**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

An Act to prevent tax fraud.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

SECTION 1. Subsection (a) of section 38N of chapter 63, as appearing in the 2004 official edition, is hereby amended by striking out the second paragraph and inserting in place thereof the following paragraphs:-

A credit allowed under this section may be taken only after the taxpayer completes an annual application for the credit, signed under the pains and penalties of perjury by an authorized representative of the corporation, files it with the commissioner of revenue and the commissioner certifies that property eligible for the credit is used in a certified project within the economic opportunity area as defined in said section 3A of said chapter 23A and wholly within an area designated as an economic target area pursuant to section 3D of said chapter 23A and the area conforms to the definition of a “blighted open area”, “decadent area”, or “sub-standard area” as set forth in section 1 of chapter 121A, and that the certified project satisfies the employment projections specified in the original project proposal.  The commissioner of revenue shall notify the economic assistance coordinating council, of any application that is not certified.

The commissioner shall, not less than once every 2 years, review all projects certified by the economic assistance coordinating council on or after January 1, 2000, if the taxpayer participating in a certified project files an application for the tax credit allowed under this section.

Based upon the information provided in the application, the commissioner of revenue shall make a determination on whether the certified project is in compliance with the definition of certified project set forth in this section and whether the project has a reasonable chance of increasing employment opportunities for residents of the certified project as advanced in the initial proposal certified by the EACC.  If the commissioner of revenue determines that the certified project is no longer in compliance, than he shall notify the economic assistance coordinating council of the determination, and certification of the project shall be revoked by the economic assistance coordinating council.  If the project is considered decertified for reasons of fraud or material misrepresentation, as determined by the commissioner of revenue, the commissioner shall have a cause of action against the controlling business of the project for the value of any economic benefits received, including, but not limited to, the amount of the tax credit allowed under this section.  Nothing in this section shall be deemed to limit the authority of the commissioner to make adjustments to a corporation’s liability upon audit.