

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Bradley H. Jones, Jr.

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 Relative to Incentivizing High Wages for New Employees.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Bradley H. Jones, Jr.	20th Middlesex
Viriato Manuel deMacedo	1st Plymouth
George N. Peterson, Jr.	9th Worcester
Elizabeth Poirier	14th Bristol

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT RELATIVE TO INCENTIVIZING HIGH WAGES FOR NEW EMPLOYEES.

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: Section 31M of chapter 63, as appearing in the 2006 Official Edition, is hereby
2 amended by adding at the end thereof the following: -
3 Section 631N: (a) For the purposes of this section, the following words shall have the following
4 meanings:-
5 “Average wage”, the mean salary for all full time employees in a qualifying small business for
6 the previous two calendar years.
7 “Commissioner”, the commissioner of revenue.
8 “Eligible job”, any new direct job created by a qualifying small business that: (a) did not exist in
9 the previous calendar year; (b) pays a salary of at least 150 per cent of the average wage of the
10 qualifying small business; and (c) requires the duties of the new employee to be performed in at
11 least 1 in-state location, including jobs performed by persons that are transferred within the
12 company to work at an in-state location from a location based outside the commonwealth.
13 “Full time employee”, a person who is employed for at least 35 hours per week and whose salary
14 is subject to withholding as provided in chapter 62B.

15 “High wage incentive payment”, a business employment incentive payment for qualifying small
16 businesses as provided for in this section.

17 “Qualifying small business”, a business that had total annual sales in its most recently completed
18 fiscal year of less than five million dollars, or has less than 100 employees, and has a principal
19 place of business in the commonwealth.

20 (b) For each taxable year from January 1, 2009 to December 31, 2011, a qualifying small
21 business that creates a minimum of 1 and a maximum of 5 eligible jobs in the commonwealth
22 during a single calendar year shall be entitled to a high wage incentive payment equal to a 6 per
23 cent credit against its excise due under this chapter.

24 (c) If a taxpayer is subject to a minimum excise under this chapter, the amount of credit allowed
25 shall not reduce the excise to an amount less than the minimum excise.

26 (d) A taxpayer entitled to a credit under this section for any taxable year may not carry over its
27 excise for any succeeding taxable year. A qualifying small business that has previously been
28 approved to receive a high wage incentive payment for any particular eligible job shall not be
29 eligible to receive said payment for more than one calendar year. A qualifying small business
30 may apply to receive a high wage incentive payment that relates to a different application in the
31 same calendar year or a different application in a different calendar year.

32 (e) A qualifying small business that seeks a high wage incentive payment shall apply to the
33 commissioner to receive such payment on a form to be prescribed by the commissioner. This
34 form shall reference the necessary information concerning the eligible jobs created by the
35 company in the commonwealth during the application year and also the company’s average wage
36 for such year and the previous calendar year. The commissioner shall advise the company of his
37 determination in writing.