

**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 Stimulating the Economy Through Job Creation.**

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Viriato Manuel deMacedo	1st Plymouth
Bradley H. Jones, Jr.	20th Middlesex
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 STIMULATING THE ECONOMY THROUGH JOB CREATION.

*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 of the General Laws, as appearing in the 2006 Official

2 Edition, is hereby amended by adding, at the end thereof, the following new section: -

3

4 Section 31N: For the purposes of this section, the following words shall have the following

5 meanings: -

6

7 “Application year”, the calendar year for which a qualifying small business submits the

8 information required for a determination as to a jobs incentive payment.

9

10 “Commissioner”, the commissioner of revenue.

11

12 “Eligible jobs”, a number determined by first multiplying each of the local jobs created by a

13 small business during a single calendar year by the job qualifier for that job, and then totaling the

14 number for all the local jobs created.

15

16 “Full time employee”, a person who is employed for consideration for at least 35 hours per week  
17 and whose salary is subject to withholding as provided in chapter 62B.

18

19 “Job qualifier fraction”, in the case of either a full-time employee or a part-time employee of a  
20 small business, the figure that determines the extent to which that employee is employed in the  
21 commonwealth during a single calendar year. The job qualifier fraction for each employer shall  
22 be determined by multiplying the following percentages together: (i) the percentage of time that  
23 an employee worked while employed by the company expressed as average hours worked per  
24 week out of 35 hours, not to exceed 100 per cent; (ii) that employee’s time attributable to work  
25 in the commonwealth, as a portion of that employee’s total work for the company; and (iii) the  
26 portion of the year the employee worked for the company.

27

28 “Local jobs created”, the total number of direct jobs created by a small business during a single  
29 calendar year in which the new employees perform their duties in at least 1 in-state location,  
30 including jobs performed by persons that are transferred within the company to work at an in-  
31 state location from a location based outside the state.

32

33 “Part-time employee”, a person who is employed for consideration for less than 35 hours a week  
34 and whose salary is subject to withholding as provided in chapter 62B.

35

36 “Payment years”, in the case of a small business that is determined to be eligible for a jobs  
37 incentive payment, the 3 calendar years following the application year.

38

39 “Small business”, a business that had total annual sales in its most recently completed fiscal year  
40 of less than five million dollars, or has less than 100 employees, and has a principal place of  
41 business in the commonwealth.

42

43 “Small business jobs incentive payment”, a business employment incentive payment for  
44 qualifying small businesses as provided for in this section.

45

46 “Weighted average employment”, for a calendar year, the total number of jobs maintained by a  
47 small business in which the employees performed employment services at least 1 in-state  
48 location. The number is to be determined by first multiplying each of the individual jobs  
49 maintained by the company for that year by the job qualifier fraction for that job and then  
50 totaling the number for all of these jobs.

51

52 (b) A small business that creates 5 or more eligible jobs in the commonwealth during a single  
53 calendar year shall be entitled to a small business jobs incentive payment if its weighted average  
54 employment for such year reflects a net increase of at least 5 jobs over the company’s weighted  
55 average employment for the previous calendar year. The jobs incentive payment shall be equal to  
56 25 per cent of the amount paid by the company as salary attributable to eligible jobs created by  
57 the company in such year to the extent that the salary was subject to Massachusetts withholding  
58 pursuant to chapter 62B for such year, multiple by the applicable Massachusetts income tax rate  
59 for such salary. For the purposes of this provision, an eligible job shall be deemed created in the  
60 commonwealth on the first day for which Massachusetts withholding is required in connection

61 with the compensation paid to the employee.

62

63 (c) The small business jobs incentive payment shall be paid to the small business in 3 equal  
64 installments in each of the three calendar years commencing with the calendar year subsequent to  
65 the application year. If, for the first or second payment year, the company's weighted average  
66 employment falls below its weighted average for the application year, the company shall be  
67 disqualified from receiving its second installment payment. It may still receive its third  
68 installment payment if its weighted average employment for its second payment year is above its  
69 weighted average employment for its application year.

70

71 (d) A small business that seeks a small business jobs incentive payment shall apply to the  
72 commissioner to receive such payment on a form to be prescribed by the commissioner. This  
73 form shall reference the necessary information concerning the eligible jobs created by the  
74 company in the commonwealth during the application year and also the company's weighted  
75 average employment for such year and the previous calendar year. The commissioner shall  
76 advise the company of his determination in writing.

77

78 (e) Not later than March 1 of each calendar year for which a small business has been approved to  
79 receive a small business jobs incentive payment, the company shall submit to the commissioner,  
80 in a form prescribed by the commissioner, the information necessary to evaluate the company's  
81 previous year weighted employment average.

82

83 (f) A small business that has previously been approved to receive a small business jobs incentive

84 payment is entitled to re-apply for an additional payment for a second or third application year.  
85 In such cases, the company may be entitled to receive a small business jobs incentive payment  
86 that relates to a different application in the same calendar year. When a company had previously  
87 been granted a jobs incentive payment for 3 application years, it shall not request an additional  
88 small business jobs incentive payment.

89

90 (g) The commissioner shall issue payments, as authorized in subsection (b), without further  
91 appropriation. The commissioner may issue rules and regulations as necessary or helpful to  
92 implement this section, including rules and regulations to ensure compliance with this section.

93

94 SECTION 2: This act shall be effective as to small business jobs incentive payment requests  
95 made by small businesses for calendar years 2009 to 2013, inclusive.