

# HOUSE . . . . . No. 181

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By Mr. Rogers of Norwood, petition of John H. Rogers and others relative to expanding the job creation incentive payment program. Community Development and Small Business.

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## The Commonwealth of Massachusetts

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PETITION OF:

John H. Rogers  
Bradley H. Jones, Jr.

Michael J. Moran

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In the Year Two Thousand and Seven.

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AN ACT RELATIVE TO EXPANDING THE JOB CREATION INCENTIVE PAYMENT PROGRAM.

*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 67D of Chapter 62C of the General Laws, as appearing  
2 in the 2004 Official Edition and as most recently amended by  
3 Section 78 of Chapter 141 of the Acts of 2003, is hereby deleted and  
4 replaced with the following new section:—  
5 Section 67D. (a) When used in this section, the following words  
6 shall have the following meaning:  
7 “Application year”, the calendar year for which a business sub-  
8 mits the information required for a determination as to a jobs incen-  
9 tive payment.  
10 “Business”, a corporation, sole proprietorship, partnership, lim-  
11 ited liability company or any other form of business organization  
12 subject to taxation in the Commonwealth under chapters 62 or 63 of  
13 the General Laws.  
14 “Eligible Jobs”, a number determined by first multiplying each of  
15 the local jobs created by a business during a single calendar year by  
16 the job qualifier for that job, and then totaling the number for all of  
17 the local jobs created.

18 “Full time employee”, a person who is employed for considera-  
19 tion for at least 35 hours per week and whose salary is subject to  
20 withholding as provided in chapter 62B.

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

32 “Jobs incentive payment”, an employment incentive payment for  
33 businesses as provided for in this section.

34 “Local jobs created”, the total number of jobs created in Massa-  
35 chusetts by a business during a single calendar year, including jobs  
36 performed by persons that are transferred within the company to  
37 work at an in-state location from a location based outside the state.  
38 Said number of jobs shall be determined by the Department of Rev-  
39 enue using the number of full-time employees reported on the New  
40 Hire Report and the taxes withheld by an employer pursuant to  
41 Chapter 62B of the General Laws.

42 “Part-time employee”, a person who is employed for considera-  
43 tion for less than 35 hours a week and whose salary is subject to  
44 withholding as provided in chapter 62B.

45 “Payment year” the calendar year immediately following the  
46 application year in which the business is determined to be eligible  
47 for a jobs incentive payment.

48 “Weighted, average employment”, for a calendar year, the total  
49 number of jobs maintained by a business in which the employees  
50 performed employment services at at least 1 in-state location. The  
51 number is to be determined by first multiplying each of the indi-  
52 vidual jobs maintained by the company for that year by the job qual-  
53 ifier fraction for that job and then totaling the number for all of these  
54 jobs.

55 (b) A business that creates a qualified job in the commonwealth  
56 during a single calendar year shall be entitled to a job incentive pay-

57 ment if its weighted average employment for such year reflects a net  
58 increase of at least 1 qualified job over the company's weighted  
59 average employment for the prior calendar year. The jobs incentive  
60 payment shall be equal to 50 percent of the amount paid by the busi-  
61 ness as salary attributable to the eligible job or jobs created by the  
62 business in such year to the extent that the salary was subject to  
63 Massachusetts withholding pursuant to chapter 62B for such year,  
64 multiplied by the applicable income tax rate for such salary. For the  
65 purposes of this provision, an eligible job shall be deemed created in  
66 the commonwealth on the first day for which Massachusetts with-  
67 holding is required in connection with the compensation paid to the  
68 employee.

69 (c) The jobs incentive payment shall be paid to a business in full  
70 in the calendar year immediately following the application year. If  
71 in the first or second year following the payment year, the compa-  
72 ny's weighted average employment falls below its weighted average  
73 for the application year, the company shall be required to pay back  
74 the job incentive payment to the Commonwealth in a manner deter-  
75 mined by the department of revenue through regulations.

76 (d) A business that seeks a jobs incentive payment shall complete  
77 a form prescribed by the commissioner in consultation with the sec-  
78 retary of economic development. This form shall reference the nec-  
79 essary information concerning the eligible jobs created by the  
80 company in the Commonwealth during the application year and also  
81 the company's weighted average employment for such year and the  
82 prior calendar year. Upon completion of the form and verification  
83 by the department of revenue of the accuracy of the information, the  
84 commissioner shall issue a check to the business.

85 (e) Nothing in this section shall preclude a business that has pre-  
86 viously received a job incentive payment from applying for an addi-  
87 tional job incentive payment in subsequent years so long as the  
88 business successfully meets the eligibility requirements.

89 (f) The commissioner shall issue payments, as authorized in sub-  
90 section (b), without further appropriation. The commissioner may  
91 issue rules and regulations as necessary or helpful to implement this  
92 section, including rules and regulations to ensure compliance with  
93 this section, provided however that the incentive payment shall be  
94 automatic so long as the business meets the eligibility criteria and  
95 completes the form.