

HOUSE No. 3903

By Mr. Eldridge of Acton, petition of James B. Eldridge for legislation to require the Commissioner of Revenue to make biannual reports on taxation in the Commonwealth. Revenue.

The Commonwealth of Massachusetts

In the Year Two Thousand and Seven.

AN ACT ESTABLISHING BIENNIAL TAX INCIDENCE REPORTS BY THE COMMISSIONER OF REVENUE.

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

1 Chapter 14 of the General Laws is hereby amended by adding the
2 following section:—

3 Section 12. The commissioners of revenue shall report to the
4 general court by March 1 of each odd-numbered year on the overall
5 incidence of the income tax, sales and excise taxes, and property tax.
6 The report shall present information on the distribution of the tax
7 burden (1) for the overall income distribution, using a system wide
8 incidence measure such as the Suits index or other appropriate mea-
9 sures of equality and inequality, (2) by income classes, including at a
10 minimum deciles of the income distribution , and (3) by other appro-
11 priate taxpayer characteristics.

12 At the request of the chairs of the joint committee on taxation, the
13 commissioner shall prepare an incidence impact analysis of a bill or
14 a proposal to change the tax system which increases, decreases, or
15 redistributes taxes by more than \$20,000,000. To the extent data is
16 available on the changes in the distribution of the tax burden that are
17 affected by the bill or proposal, the analysis shall report on the inci-
18 dence effects that would result if the bill were enacted. The report
19 may present information using system wide measures, such as Suits
20 or other similar indexes, by income classes, taxpayer characteristics,
21 or other relevant categories. The report may include analyses of the
22 effect of the bill or proposal on representative taxpayers. The
23 analysis must include a statement of the incidence assumptions that
24 were used in computing the burdens.

25 The incident analysis shall use the broadest measure of economic
26 income for which reliable data is available.