

SENATE NO. 2275

1 “Chapter 62C of the General Laws, as appearing in the 2006 official edition, is hereby
2 amended by inserting after section 67D the following section:-

3 Section 67E. (a) When used in this section, the following words shall have the following
4 meaning:

5 "Application year", the calendar year for which a small business submits the information
6 required for a determination as to a jobs incentive payment.

7 "Small Business", a corporation, sole proprietorship, partnership, limited liability
8 company or any other form of business organization that had total annual sales in its most
9 recently completed fiscal year of less than five million dollars and which has a principal
10 place of business within the commonwealth.

11 "Commissioner", the commissioner of revenue.

12 "Eligible Jobs", a number determined by first multiplying each of the local jobs created
13 by a small business during a single calendar year by the job qualifier for that job, and
14 then totaling the number for all of the local jobs created.

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

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

26 "Jobs incentive payment", a business employment incentive payment for small businesses
27 as provided for in this section.

28 "Local jobs created", the total number of jobs created by a small business during a single
29 calendar year, including jobs performed by persons that are transferred within the
30 company to work at an in-state location from a location based outside the state.

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

33 "Payment years", in the case of a small business that is determined to be eligible for a
34 jobs incentive payment, the 3 calendar years following the application year.

35 "Qualified services",

36 "Weighted, average employment", for a calendar year, the total number of jobs
37 maintained by a biotechnology or medical device manufacturing company in which the
38 employees performed employment services at least 1 in-state location. The number is to
39 be determined by first multiplying each of the individual jobs maintained by the company
40 for that year by the job qualifier fraction for that job and then totaling the number for all
41 of these jobs.

42 (b) A small business that creates 5 or more eligible jobs in the commonwealth during a
43 single calendar year shall be entitled to a jobs incentive payment if its weighted average
44 employment for such year reflects a net increase of at least 5 jobs over the company's
45 weighted average employment for the prior calendar year. The jobs incentive payment
46 shall be equal to 50 per cent multiplied by the applicable Massachusetts income tax rate
47 for the salary paid to the persons who perform the newly created eligible jobs for the
48 calendar year in question; provided, however, that such salary shall be subject to
49 Massachusetts withholding pursuant to chapter 62B for such year. For the purposes of
50 this provision, an eligible job shall be deemed created in the commonwealth on the first
51 day for which Massachusetts withholding is required in connection with the
52 compensation paid to the employee.

53 (c) The jobs incentive payment shall be paid to a small business in 3 equal installments in
54 each of the 3 calendar years commencing with the calendar year subsequent to the
55 application year. If, for the first or second payment year, the company's weighted average
56 employment falls below its weighted average for the application year, the company shall
57 be disqualified from receiving its second installment payment, it may still receive its third

58 installment payment if its weighted average employment for its second payment year is
59 above its weighted average employment for the application year.

60 (d) A small that seeks a jobs incentive payment shall apply to the commissioner to
61 receive such payment on a form to be prescribed by the commissioner. This form shall
62 reference the necessary information concerning the eligible jobs created by the company
63 in the Commonwealth during the application year and also the company's weighted
64 average employment for such year and the prior calendar year. The commissioner shall
65 advise the company of his determination in writing.

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

70 (f) A small business that has previously been approved to receive a jobs incentive
71 payment is entitled to re-apply for an additional payment for a second or third application
72 year. In such cases, the company may be entitled to receive a jobs incentive payment that
73 relates to different application years in the same calendar year. When a company has
74 previously been granted a jobs incentive payment for 3 application years, it shall not
75 request an additional jobs incentive payment.

76 (g) The commissioner shall issue payments, as authorized in subsection (b), without
77 further appropriation. The commissioner may issue rules and regulations as necessary or

78 helpful to implement this section, including rules and regulations to ensure compliance
79 with this section.”

