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**CHARLES D. BAKER**  
GOVERNOR

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ATTACHMENT J

July 17, 2017

To the Honorable Senate and House of Representatives:

Pursuant to Article LVI, as amended by Article XC, Section 3 of the Amendments to the Constitution, I am returning to you for amendment Section 125 of House Bill No. 3800, "An Act Making Appropriations for the Fiscal Year 2018 for the Maintenance of the Departments, Boards, Commissions, Institutions and Certain Activities of the Commonwealth, for Interest, Sinking Fund and Serial Bond Requirements and for Certain Permanent Improvements."

Section 125 requires the Commissioner of Revenue to report on how he has used the authority granted in the budget to depart from federal requirements for 1099-K reporting. 1099-K reporting is carried out during the first two months of a calendar year, and the affected taxpayers may file the affected returns and pay their taxes as late as October of that calendar year.

Thus, a report as of March 15 of that calendar year will not be able to provide meaningful fiscal information. A reporting date of March 15, 2019 will allow for the preparation of a meaningful evaluation of the fiscal impact of this initiative.

For these reasons, I recommend that Section 125 be amended by striking out the text and inserting in place thereof the following text:-

SECTION 125. Not later than March 15, 2018, the commissioner of revenue shall issue a report on the use of his authority to add reporting requirements pursuant to section 8 of chapter 62C of the General Laws. The report shall detail and provide an explanation for any changes made to the reporting requirements that differ from those required by the federal government, and state a projected fiscal impact resulting from any such changes. Not later than March 15, 2019, the commissioner of revenue shall issue a report describing the financial impact to the commonwealth of such additional reporting requirements, if any. The reports under this section shall be filed with the clerks of the senate and house of representatives, the chairs of the joint committee on revenue and the chairs of the senate and house committees on ways and means.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Charles D. Baker". The signature is fluid and cursive, with the first name "Charles" being the most prominent.

Charles D. Baker

Governor