

SUMMARY OF NO. 22-02

The proposed law would allow a state personal income taxpayer a credit equal to the state gasoline sales taxes that he or she has effectively paid during the taxable year when purchasing fuel for automotive use at a point in time when the retail price of regular gas in Massachusetts is greater than or equal to \$3.00 per gallon. Also, a corporation would be allowed a credit against its state corporate excise in an amount equal to the state gasoline taxes that the corporation has effectively paid during the taxable year when purchasing fuel for automotive use at a point in time when the retail price of regular gas in Massachusetts is greater than or equal to \$3.00 per gallon, provided that such purchase was in furtherance of the business of the corporation.

Under the proposed law, the personal income tax credits could not be used to reduce a personal income taxpayer's taxes below zero or a corporate excise taxpayer's taxes below the minimum levels set by state law. Any amount of tax credit not usable in a taxable year because of these limits could be carried over and used in later taxable years, for up to ten years.

The proposed law would take effect starting in tax year 2025. The proposed law states that if any of the parts were declared invalid, the other parts would stay in effect.