

By Mr. Hatch of Beverly, petition of Francis W. Hatch, Jr., and other members of the House that provision be made for a corporate job incentive credit against the corporate excise tax. Taxation.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy-Three.

AN ACT CREATING A CORPORATE JOB INCENTIVE CREDIT AGAINST THE CORPORATE EXCISE TAX.

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 63 of the General Laws is hereby amended by insert-
2 ing after section 31B thereof the following section: —
3 *Section 31C.* Certain corporations allowed credit against
4 excise tax for increase in number of full-time employees.
5 (a) A corporation engaged in manufacturing or a business cor-
6 poration engaged in research and development as defined under
7 Section 38C or 42B of this Chapter shall be allowed a credit as
8 hereinafter provided against its excise tax due under this Chapter.
9 The amount of such credit shall be five-hundred dollars per each
10 additional full-time employee, over the number of full-time em-
11 ployees employed by said corporation in its last taxable year,
12 preceding the effective date of this amendment. Said year to
13 become the base year from which the numbers of additional
14 full-time employees shall be determined for the five year term of
15 this credit. To qualify for the credit said corporation must have a
16 minimum of ten additional full-time employees, but upon qualifi-
17 cation said credit shall extend to the total number of additional
18 full-time employees. Where said corporation has no previous
19 taxable year, the corporation shall be allowed a five hundred
20 dollar credit for each full-time employee presently employed
21 over a minimum of ten, but no credit shall be available for the
22 first ten full-time employees.

23 (b) As used herein, full-time employee shall mean an em-
24 ployee as defined in Section One of Chapter One Hundred Fifty-
25 one A and who has been paid by the corporation at least three
26 thousand six hundred dollars in wages as defined in Section One
27 of Chapter one hundred fifty-one A during the taxable year and
28 has been an employee for a minimum of 9 months except where
29 the corporation has a taxable year of less than twelve months as
30 provided for in Section E.

31 (c) The total amount of credit joined under this Section may
32 not exceed the total amount of tax owed under this Chapter for
33 the taxable year.

34 (d) A corporation which is a successor to another employing
35 unit, as defined in Section One of Chapter One Hundred Fifty-
36 One A, by reason of an acquisition or other activity referred to
37 in subsections (d) through (h), inclusive, of Section Eight of said
38 Chapter shall, for purposes of subsection (a) of this section, treat
39 the employees of such employing unit as having been employees
40 of the successor corporation during the periods they were em-
41 ployees of the prior employing unit. For the purpose of subsec-
42 tion (a) above, a corporation not having a taxable year ending on
43 or prior to the effective date of this amendment shall be treated
44 as if it had such a taxable year if, under the preceding sentence,
45 the corporation is treated as having employees prior to such date.

46 (e) For a corporation having a taxable year of less than twelve
47 months referred to in this subsection as a "short period", an
48 employee shall be deemed to be a "full-time employee" as de-
49 fined in subsection (b) above if the amount of the wages which
50 he earned during the short period when multiplied by twelve and
51 divided by the number of months in the short period is three
52 thousand six hundred dollars or more. The credit for a short
53 period shall be computed pursuant to the provisions of subsec-
54 tion (a) above, and shall be reduced by multiplying the credit so
55 determined by the number of months in the short period and
56 dividing the result by twelve.