

By Mr. White, petition (accompanied by bill, Senate, No. 1424) of W. Paul White and Robert A. Durand for legislation to provide for an investment tax credit for expenses for research or development of pollution control technologies or products and for basic research grants for this purpose. Taxation.

**The Commonwealth of Massachusetts**

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

AN ACT PROVIDING FOR AN INVESTMENT TAX CREDIT FOR EXPENSES FOR RESEARCH OR DEVELOPMENT OF POLLUTION CONTROL TECHNOLOGIES OR PRODUCTS AND FOR BASIC RESEARCH GRANTS FOR THIS PURPOSE.

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

1 SECTION 1. Section 38M of chapter 63 of the General Laws,  
2 as amended by St. 1991, c. 176, § 6, is hereby amended by inserting  
3 after "(a)" the symbols "(1)" and by inserting after paragraph (a)  
4 the following new paragraph: —

5 (2) In addition to the credit allowed by paragraph (a) (1) of this  
6 section, a domestic or foreign corporation shall be allowed a credit  
7 against its excise due under this chapter equal to the sum of five  
8 percent of (A) the pollution control qualified research expenses  
9 for the taxable year and (B) the pollution control basic research  
10 payments. The term "pollution control qualified research  
11 expenses" shall mean qualified research expenses as defined in  
12 paragraph (a) (1) of this section that are principally for pollution  
13 control technologies or products. The term "pollution control  
14 basic research payments" shall mean basic research payments  
15 determined under subsection (e) (2) of section forty-one of said  
16 Code that are principally for pollution control technologies or  
17 products. The term "pollution control technologies or products"  
18 shall mean technologies, products, equipment, or practices  
19 principally for the prevention, reuse, treatment, neutralization or  
20 stabilization of industrial waste or industrial air pollution. The  
21 term "industrial waste" and the term "industrial air pollution"

22 shall mean any liquid, gaseous, solid or waste substance, or a  
23 combination thereof, resulting from any process of industry,  
24 manufacture, trade or business or from the development or  
25 recovery of any natural resources, which may cause or might  
26 reasonably be expected to cause pollution of the waters, land,  
27 surface or subsurface strata, or ambient air of the commonwealth.

1 SECTION 2. Section 1 of this Act shall take effect for taxable  
2 years ending on or after December 31, 1993.