

By Mr. Nagle of Northampton, petition of William P. Nagle, Jr., relative to establishing voluntary tax credits for business and industry to encourage recycling, reuse and conservation of water. Taxation.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-Four.

AN ACT RELATIVE TO ESTABLISHING VOLUNTARY TAX CREDITS FOR BUSINESS AND INDUSTRY TO RECYCLE, REUSE AND OTHERWISE CONSERVE WATER.

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. Chapter 63 of the General Laws is hereby amend-
2 ed by inserting the following new section:—

3 Section 39D. a) A manufacturing corporation, or a business
4 corporation engaged primarily in research and development,
5 which has been deemed to be such under sections thirty-eight C or
6 forty-two B, shall be allowed a credit, if they elect to take said
7 credit, as hereinafter provided against its excise due under this
8 chapter. The amount of such credit shall be one percent of the cost
9 or other basis of qualifying tangible property determined by the
10 state tax commissioner. Qualifying tangible property shall be
11 construed to mean property acquired, installed, constructed, re-
12 constructed, retrofitted or erected expressly for the purpose of
13 water conservation, reuse or recycling during the taxable year as
14 hereinafter defined.

15 b) A corporation renting or leasing real property otherwise
16 qualifying for the credit under this section from a regional business
17 development corporation or authority authorized under chapter
18 forty C of the General Laws or a regional business development
19 corporation as defined under Section 179(d) of the Federal Inter-
20 nal Revenue code, as amended and in effect for the taxable year,
21 for the purposes of this section and shall be eligible for the credit
22 under paragraph (a). The amount of such credit shall be one
23 percent of the value of the qualifying property purchased and

24 placed in qualified use during the taxable year. For the purposes of
25 the preceding sentence, any contract or agreement to rent or lease
26 for a license to use such property shall be considered a lease. For
27 the purposes of this section such value shall be the cost of the real
28 qualifying property duly recorded in corporation records with a
29 written approval from the lessor, in this case, the regional business
30 development authority or corporation. Said books for the pur-
31 poses of this section, of both the corporation and the lessor, shall
32 be open to the commissioner for inspection. For the purposes of
33 this section, the termination or cessation of such rental or lease for
34 any reason other than a direct transferral of ownership of such
35 property to the lessee shall be considered a disposition of such
36 property and no credit shall be extended.

37 c) Any corporation entitled to a credit for any taxable year in
38 accordance with the provisions of paragraphs (a) and (b), may
39 carry over and apply to its excise for any one or more of the next
40 succeeding three taxable years, that portion as reduced from year
41 to year, of its credit which exceeds its excise for the taxable year.

1 SECTION 2. Section one of this act shall apply only qualifying
2 tangible property as defined in (a) which is purchased, installed,
3 constructed, reconstructed, retrofitted or erected expressly for
4 water conservation, reuse, or recycling purposes during the taxable
5 year ending on or after December thirty-first, nineteen hundred
6 and eighty-two.