

By Mr. Marzilli of Arlington, petition of J. James Marzilli, Jr., for legislation to control and regulate the cost of tax expenditures. Taxation.

## The Commonwealth of Massachusetts

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

### AN ACT TO CONTROL THE COST OF TAX EXPENDITURES.

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

1 The General Laws are hereby amended by adding the following  
2 as a new section 9G of chapter 29: —

3 Section 9G. Notwithstanding any general or specific law to the  
4 contrary, beginning in fiscal year nineteen hundred and ninety-  
5 three, the total annualized amount of revenues lost through those  
6 tax expenditures, as defined by section one of chapter twenty-nine  
7 of the General Laws and which are established by chapters sixty-  
8 two, sixty-three, sixty-four H and sixty-five C, shall be limited  
9 to five billion eight hundred and fifty million dollars. The  
10 commissioner shall ensure that no revenues are forgone in excess  
11 of this revenue-loss cap and is hereby authorized to promulgate  
12 regulations eliminating, restricting or otherwise modifying such  
13 tax expenditures to ensure that the revenue-loss cap is not  
14 exceeded, provided, however, that the commissioner shall not  
15 limit, modify or eliminate any tax expenditure which primarily  
16 and directly benefits taxpayers with incomes at or below the  
17 median income for residents in the commonwealth. Thirty days  
18 before implementing any elimination, restriction or modification  
19 of any such tax expenditure, the commissioner shall file with the  
20 house and senate committees on ways and means and with the  
21 clerk of the house of representatives and the clerk of the senate  
22 a report setting forth such proposed changes. Said report shall  
23 contain detailed information concerning the current and proposed  
24 operation of tax expenditures under these chapters, including the

25 number of taxpayers, by income, who benefit from such tax  
26 expenditures, demographic information regarding said persons,  
27 the service or value which such tax expenditures provide to said  
28 taxpayers, an analysis of the number of taxpayers, by income, who  
29 would be affected by the proposed changes, an explanation of the  
30 need for the proposed changes, and a determination by the  
31 commissioner that the revenue-loss cap will be exceeded if such  
32 changes are not made. The commissioner is hereby authorized to  
33 promulgate emergency regulations pursuant to chapter thirty A  
34 of the General Laws to implement the elimination, restriction or  
35 modification of tax expenditures in accordance with this section.