

By Mr. Angelo of Saugus, petition of Steven Angelo and Douglas W. Petersen for legislation to provide for investment tax credits for environmental technology equipment or products. Taxation.

**The Commonwealth of Massachusetts**

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

AN ACT PROVIDING FOR AN INVESTMENT TAX CREDIT FOR ENVIRONMENTAL TECHNOLOGY EQUIPMENT OR PRODUCTS.

*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 6 of chapter 62 of the General Laws, as  
2 most recently amended by section 16 of chapter 19 of the acts of  
3 1993, is hereby amended by inserting after paragraph (g) the  
4 following new paragraph: —

5 (h) A business, including without limitation a profession, sole  
6 proprietorship, trade, business, partnership, trust, estate, or  
7 corporate trust, subject to tax under this chapter, shall be allowed  
8 the credit provided in paragraph (a)(2) of section 31A of  
9 chapter 63. The provisions in paragraphs (b), (d), (e), (f) (with one  
10 per cent replaced by five per cent) and (g) of said section 31A and  
11 the provisions of section 32C of chapter 63 shall be applied to  
12 such business, modified as required by context.

1 SECTION 2. Section 31A of chapter 63 of the General Laws,  
2 as most recently amended by section 17 of chapter 19 of the acts  
3 of 1993, is hereby amended by inserting after “(a)” the symbols  
4 “(1)” and by inserting after paragraph (a) the following new  
5 paragraph: —

6 (2) A domestic or foreign corporation or a utility corporation,  
7 subject to an excise or tax under this chapter, or a business,  
8 including without limitation, a profession, sole proprietorship,  
9 trade, business, partnership, trust, estate, or corporate trust,

10 subject to tax under chapter 62, shall be allowed a credit as  
11 hereinafter provided against its excise or tax due under this  
12 chapter or the tax due under chapter 62. The amount of such  
13 credit shall be five per cent of the cost or other basis for federal  
14 income tax purposes of qualifying tangible property, as defined  
15 in subparagraph (a)(1) of this section, that (A) constitutes  
16 environmental technology equipment (B) is acquired, con-  
17 structed, reconstructed, or erected during the taxable year, after  
18 deduction therefrom of any federally authorized tax credit taken  
19 with respect to such property. The term "environmental  
20 technology equipment" shall mean equipment used principally for  
21 the prevention, reuse, treatment, neutralization or stabilization of  
22 waste and air pollution. The term "waste or air pollution" shall  
23 mean any liquid, gaseous, solid or waste substance, or a  
24 combination thereof, generated by any process, used by any public  
25 or private institution, government, industry or entity, or from the  
26 development or recovery of any natural resources, which may  
27 cause or might reasonably be expected to cause pollution of the  
28 waters, land, surface or subsurface strata, or ambient air. To  
29 qualify for the credit provided under this subparagraph (a)(2), the  
30 environmental technology equipment must be useful to meet or  
31 exceed requirements of, or be the subject of, a permit, approval,  
32 waiver, or other authorization issued by, or a rule or regulation  
33 administered by, any federal, state, or municipal environmental  
34 agency pursuant to sections twenty-six through fifty-three of  
35 chapter twenty-one, section thirteen of chapter twenty-one A,  
36 chapter twenty-one C, chapter twenty-one D, chapter twenty-  
37 one E, chapter twenty-one H, Chapter twenty-one I, sections one  
38 through sixty-three of chapter ninety-one, sections one hundred  
39 and forty-two A through one hundred and forty-two K of chapter  
40 one hundred and eleven, or section forty of chapter one hundred  
41 and thirty-one of the General Laws, pursuant to chapter sixty-  
42 seven of the Special Laws, or pursuant to the federal clean air  
43 act or the federal clean water act. For any unit of equipment, the  
44 credit provided by this subparagraph shall be in lieu of any credit  
45 for such unit of equipment to which the corporation, utility  
46 corporation, or business may be entitled under subpara-  
47 graph (a)(1) of this section.

1 SECTION 3. Section 52A of said chapter 63 is hereby  
2 amended by inserting after paragraph (5) the following new  
3 paragraph: —

4 (6) A utility corporation subject to tax under this chapter shall  
5 be allowed the credit provided in paragraph (a)(2) of section 31A.  
6 The provisions in paragraphs (b), (d), (e), (f) (with one per cent  
7 replaced by five per cent) and (g) of said section 31A and the  
8 provisions of section 32C shall be applied to such utility  
9 corporation, modified as required by context.

1 SECTION 4. Sections 1 through 3 of this Act shall take effect  
2 for property acquired, constructed, reconstructed, or erected, on  
3 or after January 1, 1994.

