

By Mr. Angelo of Saugus, petition of Steven Angelo and Douglas W. Petersen for legislation to provide for investment tax credits for expenses for research or development of environmental technologies or products and for basic research grants. Taxation.

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**The Commonwealth of Massachusetts**

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

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AN ACT PROVIDING FOR AN INVESTMENT TAX CREDIT FOR EXPENSES FOR RESEARCH OR DEVELOPMENT OF ENVIRONMENTAL 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 appearing in the 1992 Official Edition, is hereby amended by  
3 inserting after “(a)” the symbol “(1)” and by inserting after  
4 paragraph (a) 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 environmental technology qualified research  
9 expenses for the taxable year and (B) the environmental  
10 technology basic research payments. The term “environmental  
11 technology qualified research expenses” shall mean qualified  
12 research expenses as defined in paragraph (a)(1) of this section  
13 that are principally for environmental technology or products.  
14 The term “environmental technology basic research payments”  
15 shall mean basic research payments determined under subsec-  
16 tion (e)(2) of section forty-one of said Code that are principally  
17 for environmental technology or products. The term “environ-  
18 mental technology or products” shall mean technologies,  
19 products, equipment, or practices, used principally for the  
20 prevention, reuse, treatment, neutralization or stabilization of  
21 waste or air pollution. The term “waste of air pollution” shall

22 mean any liquid, gaseous, solid or waste substance, or a  
23 combination thereof, generated by any process used by a public  
24 or private institution, government, industry or entity, or from the  
25 development or recovery of any natural resources, which may  
26 cause or might reasonably be expected to cause pollution of the  
27 waters, land, surface or subsurface strata, or ambient air.

1 SECTION 2. Section 1 of this Act shall take effect for taxable  
2 years ending on or after December 31, 1994.