

SENATE. No. 1602

By Mr. Moore, a petition (accompanied by bill, Senate, No. 1602) of the Associated Industries of Massachusetts, by Richard C. Lord, Richard T. Moore, Stephen M. Brewer, Harriette L. Chandler, Walter A. DeFilippi and other members of the General Court for legislation to provide for the use of tax credits to encourage recycling and industrial development in the Commonwealth. Taxation.

The Commonwealth of Massachusetts

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

AN ACT ENCOURAGING RECYCLING AND INDUSTRIAL DEVELOPMENT IN MASSACHUSETTS.

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, as appearing in
2 the 1996 Official Edition, is hereby amended by inserting after
3 section 31G the following new sections:—

4 Section 31H. As used in sections 31H to 31L, inclusive, the
5 following words shall, unless the context requires otherwise, have
6 the following meanings:

7 “Designated Materials”, those recyclable materials including,
8 but not limited to, types and grades of metal, paper, glass or
9 plastic, and compostable materials including but not limited to
10 types and grades of leaves, yard waste, and mixed biodegradable
11 organic material.

12 “Management”, the entire process, or any part thereof, of the
13 storage, separation, collection, transfer, transportation, treatment,
14 processing marketing, delivery and/or disposal of solid wastes
15 and/or designated materials by any person engaging in such
16 process.

17 “Recycling Equipment”, any machinery or apparatus primarily
18 used to store, separate, collect, transfer, transport, treat, process or
19 deliver designated materials and any manufacturing machinery
20 used to produce finished products substantially composed of des-
21 ignated materials.

22 “Recycling Process”, a process by which designated materials
23 are used as an input to a system or process that transform them,
24 and any other inputs, into products of economic value.

25 Section 31I. (a) A domestic corporation or foreign corporation
26 which purchases in any taxable year beginning or after January 1,
27 1999 and ending on or before December 31, 2008, any recycling
28 equipment to be used exclusively within the Commonwealth for
29 the management of designated materials shall be entitled to a
30 credit against its excise tax due under this chapter subject to the
31 provisions of paragraph (b) and (c). The amount of such credit
32 shall be 50 percent of the cost, including installation if applicable,
33 or recycling equipment or other basis for federal income tax pur-
34 poses.

35 (b) Any unused portion of the credit allowed in subsection (a)
36 may be carried forward from the year earned and applied against
37 the excise due from the taxpayer under this chapter in any of the
38 succeeding seven taxable years.

39 (c) For purposes of the credit allowed in subsection (a), sec-
40 tions 31A and 32C shall not apply.

41 Section 31J. (a) A domestic corporation or foreign corporation
42 which purchases in any taxable year beginning or after January 1,
43 1999 and ending on or before December 31, 2008, any land or
44 buildings or structures in the Commonwealth used exclusively to
45 house recycling equipment or to carry out the business of the
46 management of designated materials in the Commonwealth shall
47 be entitled to a credit against its excise tax due under this chapter.
48 The amount of such credit shall be equal to five percent of the
49 cost or other basis for federal income tax purposes, of the land,
50 buildings and structures.

51 (b) Any unused portion of the credit allowed in subsection (a)
52 may be carried forward from the year earned and applied against
53 the excise due from the taxpayer under this chapter in any of the
54 succeeding seven taxable years.

55 (c) For purposes of the credit allowed under subsection (a), sec-
56 tions 31A and 31C shall not apply.

57 Section 31K. (a) A domestic corporation or foreign corporation
58 which purchases in any taxable year beginning on or after begin-
59 ning or after January 1, 1999 and ending on or before December
60 31, 2008, shall be allowed a credit as hereinafter provided against

61 its excise due under this chapter. The amount of such credit shall
62 be ten percent of the amount paid for designated materials used as
63 an input in a manufacturing process in Massachusetts.

64 (b) The credit allowed under this section shall apply only to
65 designated materials generated and collected within the borders of
66 the Commonwealth.

67 (c) The credit allowed under this section shall apply only to
68 designated materials used in a manufacturing process within one
69 year of its purchase.

70 (d) Any unused portion of the credit allowed in subsection (a)
71 may be carried forward subject the provisions in subparagraph (e)
72 from the year earned and applied against the excise due from the
73 taxpayer under this chapter in any of the succeeding seven taxable
74 years.

75 (e) The credit allowed in subparagraph (a) shall be limited to
76 \$500,000 per corporation per taxable year.

77 (f) For purposes of this section, sections 31A and 32C shall not
78 apply.

79 Section 31L. (a) the commissioner of revenue in consultation
80 with the department of environmental protection, shall certify the
81 credits allowed in sections 31I and 31J. Application for certifica-
82 tion shall be made in writing on a form prescribed by the commis-
83 sioner of revenue and shall contain information on the actual cost
84 of qualifying recycling equipment or property and a description of
85 the designated materials, recycling equipment or property. Said
86 application shall be made within one year of the purchase of the
87 qualifying recycling equipment or property or enactment of this
88 act, whichever is later.

89 (b) The commissioner of revenue in consultation with the
90 department of environmental protection, shall certify the credits
91 allowed in section 31K. Applications for certification shall be by
92 March 31 in the year immediately succeeding the year in which
93 the qualifying designated materials were purchased. Said applica-
94 tion shall be in writing on a form prescribed by the commissioner
95 of revenue and shall contain: (i) information on the actual cost of
96 qualifying designated materials, (ii) a description of the desig-
97 nated materials; (iii) a list of the designated materials used in a
98 manufacturing process; and (iv) evidence to support the actual
99 purchase of those materials. Failure to file a timely application
100 will make the corporation ineligible for the credit.

101 (c) The department of revenue shall act on an application
102 before the 120th day after the filing of the application. Failure to
103 act within this time period shall deem the application approved.

1 SECTION 2. Chapter 64H of the General Laws, as appearing in
2 the 1996 Official Edition, is hereby amended by inserting after
3 paragraph (11) of section 6, the following paragraph:

4 (mm) Sales of \$500 or more of recycling equipment as defined
5 in section 31H of chapter 63 of the General Laws.

1 SECTION 3. Chapter 59 of the General Laws is hereby
2 amended by inserting after clause (50) of paragraph one of
3 section 5 the following clause:

4 Fifty-first, real or personal property used exclusively for the
5 management of designated materials as defined in section 31H of
6 chapter 63.