

**HOUSE . . . . . No. xxxxx**

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*The Commonwealth of Massachusetts*

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PRESENTED BY:

*James J. O'Day*

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*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

*An act to invest in our communities.*

\_\_\_\_\_  
PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>James J. O'Day</i>	<i>14th Worcester</i>

*[Pin Slip]*

*The Commonwealth of Massachusetts*

\_\_\_\_\_  
**In the Year Two Thousand Eleven**  
\_\_\_\_\_

*An act to invest in our communities.*

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

1 Chapter 62 of the General Laws is hereby amended as follows:

2 SECTION 1.

3

4 Section 3 of chapter 62 of the General Laws, as appearing in the 2008 Official Edition, is hereby  
5 amended by striking out subsection B(b)(1)(A) and inserting in place thereof the following:--

6

7 A personal exemption of \$7,900 for tax years beginning on or after January 1, 2012.

8

9 Section 3 of chapter 62 of the General Laws, as appearing in the 2008 Official Edition, is hereby  
10 further amended by striking out subsection B(b)(1A)(A) and inserting in place thereof the  
11 following:--

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13 A personal exemption of \$10,300 for tax years beginning on or after January 1, 2012.

14

15 Section 3 of chapter 62 of the General Laws, as appearing in the 2008 Official Edition, is hereby  
16 further amended by striking out subsection B(b)(2)(A) and inserting in place thereof the  
17 following:--

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19 A personal exemption of \$15,800 for tax years beginning on or after January 1, 2012.

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21 Section 3 of chapter 62 of the General Laws, as appearing in the 2008 Official Edition, is hereby  
22 further amended by adding a subsection D to read in its entirety as follows—

23

24 In determining the Part A and Part C taxable income of persons who are 65 or older, or who are  
25 disabled, an exemption shall be allowed upon the sum of the Part A and Part C adjusted gross  
26 income of such persons in an amount equal to the lesser of \$2500 and one third of the sum of  
27 such Part A and Part C income for a single person, or a married person filing a separate return,  
28 whose total federal adjusted gross income is less than \$40,000, and in an amount equal to the

29 lesser of \$5000 and one third of the sum of the Part A and Part C income for a married couple  
30 filing a joint return whose total federal adjusted gross income is less than \$80,000, provided,  
31 however, that if only one spouse is 65 or older or is disabled, the exemption shall not exceed  
32 \$2,500.

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34 SECTION 2.

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36 Section 4 of chapter 62 of the General Laws, as appearing in the 2008 Official Edition, is hereby  
37 amended by striking out subsection (a)(1) and inserting in place thereof the following:--

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39 Part A taxable income consisting of capital gains shall be taxed at the rate of 8.95 per cent for tax  
40 years beginning on or after January 1, 2012.

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42 Section 4 of chapter 62 of the General Laws, as appearing in the 2008 Official Edition, is hereby  
43 further amended by striking out subsection (a)(2) and inserting in place thereof the following:--

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45 Part A taxable income consisting of interest and dividends shall be taxed at the rate of 8.95 per  
46 cent for tax years beginning on or after January 1, 2012.

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48 Section 4 of chapter 62 of the General Laws, as appearing in the 2008 Official Edition, is hereby  
49 further amended by striking out subsection (b) and inserting in place thereof the following:--

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51 Part B taxable income shall be taxed at the rate of 5.95 per cent for tax years beginning on or  
52 after January 1, 2012.

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54 Section 4 of chapter 62 of the General Laws, as appearing in the 2008 Official Edition as  
55 amended by 2010, 240, Sec. 111, is hereby further amended by striking out subsection (c) and  
56 inserting in place thereof the following:--

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58 Part C taxable income shall be taxed at the rate of 8.95 percent for tax years beginning on or after  
59 January 1, 2012, excepting Part C taxable income derived from the sale of investments which:

60 (1) are in a corporation which is domiciled in the commonwealth with a date of incorporation on

61 or after January 1, 2011 which has less than \$50 million in assets at the time of investment and

62 complies with subsections (e)(1), (e)(2), (e)(5), and (e)(6) of Section 1202 of the Internal

63 Revenue Service Code; and (2) are held for 3 years or more, which shall be taxed at a rate of 3

64 per cent; provided, however, that in order to qualify for the 3 per cent rate, such investments

65 shall be made within 5 years of the date of incorporation and, to the extent consistent with the

66 provisions of this subsection, shall be in stock in a corporation that satisfies the requirements for

67 treatment as “qualified small business stock” under section 1202 ( c) of the federal Internal

68 Revenue Code, without regard to the requirement that the corporation be a C corporation.

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