
By Mr. Hedlund, a petition (accompanied by bill, Senate, No. 1522) of Robert L. Hedlund and the Citizens for Limited Taxation, by Barbara Anderson, co-director, for legislation to provide for a tax rebate for the cost of attempting to quit the use of tobacco-products. Taxation.

The Commonwealth of Massachusetts

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

AN ACT PROVIDING A METHOD TO RETURN TOBACCO SETTLEMENT DOLLARS TO THE TAXPAYERS.

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

1 Whereas, the fifty cent tax on each package of cigarettes is ded-
2 icated and intended to "Help Make Smoking History," by reducing
3 tobacco use, and whereas the Attorney General of the
4 Commonwealth recently accepted a structured settlement as a
5 result of the Commonwealth's litigation against the tobacco
6 industry, any cost incurred in attempting to quit the use of tobacco
7 products through the assistance of pharmaceutical products such
8 as NicoDerm CQ™ patches and Nicorette™ gum or any generic
9 equivalent thereof, shall be fully refunded to consumers through a
10 rebate program on the state income tax form; provided that tax-
11 payers will be refunded the total purchase price for such pharma-
12 ceutical products by an addition to the total amount of tax refund
13 due or by a reduction to the total amount of tax owed on the final
14 income tax form for a given taxable year; and provided further
15 that the cost for such reimbursements shall be derived from the
16 revenue generated by the tobacco excise tax, so-called.

SENATE. No. 1523

By Mr. Hedlund, a petition (accompanied by bill, Senate, No. 1523) of Robert L. Hedlund, the Citizens for Limited Taxation, by Barbara Anderson, co-director, Mary Jeanette Murray, Brian P. Lees, other members of the General Court and another for legislation to reduce the income tax. Taxation.

The Commonwealth of Massachusetts

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

AN ACT TO ROLL BACK THE STATE INCOME TAX RATE TO 5 PERCENT BY THE YEAR 2001.

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 four of chapter sixty-two of the General
2 Laws, as appearing in the 1996 Official Edition, is hereby
3 amended by striking out paragraph (b) and inserting in place
4 thereof a new paragraph:—

5 (b) For taxable years commencing on or after January first,
6 nineteen hundred and ninety-nine and before January first, two
7 thousand, Part B taxable income shall be taxed at the lowest rate
8 otherwise set by law for such years or portion thereof but not to
9 exceed 5.6 percent. For taxable years commencing on or after
10 January first, two thousand and before January first, two thousand
11 and one, Part B taxable income shall be taxed at the lowest rate
12 otherwise set by law for such years or portion thereof but not to
13 exceed 5.30 percent. For taxable years commencing on or after
14 January first, two thousand and one, Part B taxable income shall
15 be taxed at the lowest rate otherwise set by law for such years or
16 portion thereof but not to exceed 5.00 percent.

1 SECTION 2. The provisions of this law are severable, and if
2 any clause, sentence, paragraph or section of this chapter, or an
3 application thereof, shall be adjudged by any court of competent
4 jurisdiction to be invalid, such judgement shall not affect, impair,

5 or invalidate the remainder thereof but shall be confined in its
6 operation to the clause, sentence, paragraph, section, or applica-
7 tion adjudged invalid.

SENATE. No. 1524

By Mr. Hedlund, a petition (accompanied by bill, Senate, No. 1524) of Robert L. Hedlund, Brian P. Lees, Bruce E. Tarr, Jo Ann Sprague, other members of the General Court and another for legislation to amend the “new growth” provision of Proposition two and one-half. Taxation.

The Commonwealth of Massachusetts

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

AN ACT AMENDING THE “NEW GROWTH” PROVISION OF PROPOSITION 2½.

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 21C of Chapter 59 of the General Laws,
2 as so appearing in the 1994 Official Edition, is hereby amended
3 by inserting at the end of the definition of “Total taxes assessed”
4 in paragraph (a), the following new sentence:— This definition
5 shall apply to fire districts funded through an *ad valorem* tax.

1 SECTION 2. Said section 21C is hereby further amended by
2 adding in paragraph (a) a new definition:—
3 “New growth assessed valuation,” an increase in assessed valu-
4 ation because of new construction, additions and improvements
5 which increase need for city and town services and which require
6 a building permit prior to initiation of construction. Not included
7 are personal property, land subdivisions and property classifica-
8 tion changes, or increases due to revaluation of the city or town to
9 keep it current with the above definition of full and fair cash
10 valuation.

1 SECTION 3. Said section 21C is hereby further amended by
2 striking out paragraph (f) and inserting in place thereof the
3 following new paragraph:—
4 (f) in any city or town in which the total taxes assessed result in
5 a percentage which is less than or equal to the limits imposed pur-

6 suant to paragraph (b), the total taxes assessed for any fiscal year
7 shall not exceed an amount equal to 102.5 percent of the max-
8 imum levy limit for the preceding fiscal year as determined by the
9 commissioner of revenue; provided, however, that the total taxes
10 assessed may be further increased by an amount equal to the tax
11 rate for the preceding fiscal year multiplied by new growth
12 assessed valuation, computed for the prior fiscal year, and which
13 shall be subject to taxation for the first time in the prior fiscal
14 year.

SENATE. No. 1525

By Mr. Hedlund, a petition (accompanied by bill, Senate, No. 1525) of Robert L. Hedlund, Mary Jeanette Murray, Brian P. Lees, Richard R. Tisei and other members of the General Court for legislation to cut the income tax rate to five percent by January 1, two thousand. Taxation.

The Commonwealth of Massachusetts

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

AN ACT CUTTING THE INCOME TAX RATE TO FIVE PERCENT BY
JANUARY 1, 2000.

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 four of chapter sixty-two of the General
2 Laws, as appearing in the 1994 Official Edition, is hereby
3 amended by striking out paragraph (b) and inserting in place
4 thereof a new paragraph: —

5 (b) Part B taxable income shall be taxed at the rate of five
6 percent.

1 SECTION 2. This act shall take effect on January first, two
2 thousand.

By Mr. Hedlund, a petition (accompanied by bill, Senate, No. 1526) of Robert L. Hedlund, Brian P. Lees, Richard R. Tisei, Michael R. Knapik, other members of the General Court and another for legislation to reduce the income tax. Taxation.

The Commonwealth of Massachusetts

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

AN ACT CUTTING THE INCOME TAX RATE TO FIVE PERCENT WITHIN A THREE YEAR PERIOD AFTER THE STABILIZATION FUND REACHES ITS STATUTORY LIMIT.

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 four of chapter sixty-two of the General
2 Laws, as appearing in the 1996 Official Edition, is hereby
3 amended by striking out paragraph (b) and inserting in place
4 thereof a new paragraph:—

5 (b) Part B taxable income shall be taxed at the rate of five and
6 ninety-five hundredths percent if the stabilization fund estab-
7 lished pursuant to the fourth paragraph of subsection (a) of
8 section 12 of chapter 7A of the General Laws and the second
9 paragraph of section 2H of chapter 29 of the General Laws, as
10 most recently amended by sections 1 and 2 of chapter 175 of the
11 acts of 1998, remains below the statutory limit of 7.5 percent of
12 all revenues; provided that the rate on Part B taxable income
13 shall automatically be reduced to five and seventy-five hun-
14 dredths percent if said stabilization fund reaches the statutory
15 limit of 7.5 percent of all revenues; provided that if said stabi-
16 lization fund remains at its statutory limit of 7.5 percent of all
17 revenues for a period of twelve months the rate on Part B taxable
18 income shall automatically be reduced to five and fifty hun-
19 dredths percent; provided that if said stabilization fund remains
20 at its statutory limit of 7.5 percent of all revenues for a period of

21 twenty-four months the rate on Part B taxable income shall auto-
22 matically be reduced to five and twenty-five hundredths percent;
23 provided that if said stabilization fund remains at its statutory
24 limit of 7.5 percent of all revenues for a period of thirty-six
25 months the rate on Part B taxable income shall automatically be
26 reduced to five percent. For the purposes of this section, the
27 comptroller shall have the authority of determining if the stabi-
28 lization fund has reached or maintained its statutory limit and
29 shall communicate any such determination to the Governor, house
30 and senate committees on ways and means and the commissioner
31 of the department of revenue. If the stabilization reaches its statu-
32 tory limit in any given calendar year, the change in rate of taxable
33 income prescribed by this paragraph shall apply for the entire tax-
34 able year; provided that if the balance in the stabilization fund
35 falls below its statutory limit in any given calendar year, the rate
36 on Part B taxable income shall automatically revert to five and
37 ninety-five hundredths percent for the entire taxable year.

1 SECTION 2. This act shall take effect upon its passage.

By Mr. Tarr (by request), a petition (accompanied by bill, Senate, No. 1635) of the Citizens for Limited Taxation, by Barbara Anderson, co-director, Demetrius J. Atsalis and Shirley Gomes for legislation to provide for the return to the taxpayers of the proceeds from the nationwide tobacco settlement. Taxation.

The Commonwealth of Massachusetts

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

AN ACT TO RETURN TOBACCO SETTLEMENT DOLLARS TO THE TAXPAYERS.

1 *Whereas*, Health related and other costs due to tobacco-related
2 illnesses, legal tort actions and other tobacco related expenses,
3 were paid with money expropriated from the taxpayers of the
4 Commonwealth; the funds windfall that results from
5 Massachusetts' share of the nationwide tobacco settlement shall
6 be returned to the taxpayers of the Commonwealth as compen-
7 satory reimbursement and restitution.

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. All funds received by the Commonwealth of
2 Massachusetts from the tobacco settlement shall be appropriated
3 into the Commonwealth Tax Reduction Fund and used to increase
4 the personal exemption.

1 SECTION 2. This act will take effect for, and the increase in
2 the personal exemption applied to, Tax Year 1999 and all years
3 thereafter.

HOUSE No. 546

By Ms. Gardner of Holliston (by request), petition of Richard R. Brault relative to the property taxes of elderly persons. Taxation.

The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO THE REAL ESTATE TAXES OF CERTAIN ELDERLY PERSONS.

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 59 of the General Laws is hereby amended by inserting
2 after section 5J the following section:—
3 Section 5K. In any city or town which accepts the provisions of
4 this section, the real property of a person who has reached his
5 65th birthday prior to the fiscal year for which he is being taxed
6 and is occupied by said person as his domicile or if a person who
7 owns the same jointly with his spouse, either of who has reached
8 his 65th birthday prior to said fiscal year; provided, however, that
9 such person or persons had earned or unearned income from all
10 sources of less than \$60,000 in the preceding year shall have the
11 option to be taxed at 40 cents of every tax dollar going to school
12 budgets, this being a fixed dollar amount. The loss of revenue by
13 any town to be absorbed by the Commonwealth in computing the
14 gross receipts of a person under this section, ordinary business
15 expenses and losses may be deducted, but not personal or family
16 expenses and provided, however, that there shall be deducted from
17 the total amount received by the applicant under the Federal
18 Social Security or Railroad Retirement and from any annuity, pen-
19 sion or retirement plan established for employees of the United
20 States government, the government of the Commonwealth, or the
21 government of any city, town, county, or special district included
22 in such gross receipts, an amount equivalent to the minimum pay-
23 ment then payable under said Federal Social Security Law, as

24 determined by the Commissioner of Revenue, to a retired worker
25 70 years of age or over, if the applicant is unmarried or to a retired
26 worker and spouse both of whom are 65 years of age or older.
27 Any person who elects to be taxed under the provisions of this
28 section shall not be eligible for any abatement or deferral of taxes
29 under the provisions of clauses 41, 41A, 41B or 41C of section 5.