

ADDRESSING THE FISCAL YEAR 2015 BUDGET SHORTFALL.

Whereas, the deferred operation of this act would tend to defeat its purpose, which is forthwith to address the fiscal year 2015 budget shortfall and to make other changes in law, each of which is immediately needed for important public purposes, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Non-9C Reductions

SECTION 1. (A) Notwithstanding any general or special law to the contrary, and except as this section provides otherwise, the amounts appropriated for fiscal year 2015 as of February 2, 2015 for departments or agencies not subject to section 9C of chapter 29 of the General Laws shall be reduced by 1.79 per cent, unless within 14 days after the effective date of this act, the department or agency head files with the clerks of the senate and house of representatives, the secretary of administration and finance, and the comptroller, a statement specifying the same total amount of reductions allocated among the items of appropriation for that department or agency, approved in writing by the secretary of administration and finance. This statement shall operate as a statutory reduction of the specified appropriations by the specified amounts. A department or agency may satisfy any portion of the required reduction described in the preceding sentences by transferring non-appropriated resources to the General Fund, in a manner approved in writing by the secretary of administration and finance and the comptroller. For the purpose of this section, the items for the judicial department shall be items 0320-0003 to 0339-2100, inclusive, and

the department head of the judicial department shall be the chief justice of the supreme judicial court, the chief justice of the trial court, and the trial court administrator, acting jointly.

(B) Notwithstanding any general or special law to the contrary, the amounts appropriated for fiscal year 2015 as of February 2, 2015 for the public institutions of higher education shall be reduced by 1.5 per cent, unless within 14 days after the effective date of this act, the president of the institution files with the clerks of the senate and house of representatives, the secretary of administration and finance, and the comptroller, a statement specifying the same total amount of reductions allocated among the items of appropriation for that department or agency, approved in writing by the secretary of administration and finance. This statement shall operate as a statutory reduction of the specified appropriations by the specified amounts. An institution may satisfy any portion of the required reduction described in the preceding sentences by transferring non-appropriated resources to the General Fund, in a manner approved in writing by the secretary of administration and finance and the comptroller.

(C) Subsection (A) shall not apply to the following appropriation items: (i) unrestricted local aid, item 1233-2350, and state school aid, item 7061-0008; and (ii) debt service, items 0699-0005, 0699-0014, 0699-0015, 0699-0018, 0699-2005, and 0699-9100.

(D) Item 1595-6368 of section 2E of chapter 165 of the acts of 2014 is hereby amended by striking out the figure “\$390,361,636” and inserting in place thereof the following figure:- \$364,361,636.

(E) Item 1595-6369 of said section 2E of said chapter 165 is hereby amended by striking out the figure “\$136,552,622” and inserting in place thereof the following figure:- \$122,552,622.

(F) Section 2A of chapter 287 of the acts of 2014 is hereby amended by striking out items 7100-0801, 7100-0802, and 7118-0101.

MassHealth Payments

SECTION 2. Subsection (a) of section 211 of chapter 38 of the acts of 2013, as most recently amended by section 32 of chapter 359 of the acts of 2014, is hereby amended by striking out the words “or fiscal year 2015”.

Transfers to and from the General Fund

SECTION 3. (a) Upon certification by the executive office for administration and finance, the comptroller shall transfer from the General Fund to the Commonwealth Care Trust Fund an amount up to the amount of federal financial participation funds received for spending by the Commonwealth Health Insurance Connector Authority for the Commonwealth Care program. To accommodate the timing of federal revenue receipts after June 30, 2015, transfers may be made through the fiscal year 2015 accounts receivable period.

(b) Notwithstanding any general or special law to the contrary, the comptroller shall transfer \$10,000,000 or a lesser amount if the secretary of administration and finance so requests in writing, to the General Fund from the Healthcare Payment Reform Fund established under section 100 of chapter 194 of the acts of 2011.

(c) Notwithstanding any general or special law to the contrary, the comptroller is hereby authorized, for fiscal year 2015 only, to transfer a sum not to exceed \$210,000 from the Massachusetts Seafood Marketing Program Fund, established in section 2PPPP of Chapter 29 of the General Laws, to the General Fund.

Adult Long Term Residential Services

SECTION 4. (A) Item 5920-2000 of section 2 of chapter 165 of the acts of 2014 is hereby amended by striking out the figure “\$1,006,339,270” and inserting in place thereof the following figure:-

1,048,839,270.

(B) Said item 5920-2000 of said section 2 of said chapter 165 is hereby further amended by adding the following words:-

General Fund. 98.71%

Community First Trust Fund 1.29%

Capital Gains Tax Collections

SECTION 5. Notwithstanding any general or special law to the contrary, the comptroller shall not make any transfers required under section 5G of chapter 29 of the General Laws that, but for this section, would be attributable to capital gains tax collections during fiscal year 2015.

Corporate Tax Amnesty

SECTION 6. (a) Notwithstanding section 264 of chapter 165 of the acts of 2014 or any other general or special law to the contrary, the commissioner of revenue shall establish a tax amnesty program during which all penalties that could be assessed by the commissioner shall be waived without the need for any showing by the taxpayer of reasonable cause or the absence of willful neglect for the failure of the taxpayer to: (i) timely file any proper return for any tax type and for any tax period; (ii) file proper returns which report the full amount of the taxpayer's liability for any tax type and for any tax period; (iii) timely pay any tax liability; or (iv) pay the proper amount of any required estimated payment toward a tax liability. The waiver of a taxpayer's

liability under this section shall apply if the taxpayer files returns, makes payments as required by the commissioner or otherwise comes into compliance with the tax laws of the commonwealth pursuant to the tax amnesty program. The scope of the program, including the particular tax types and periods covered, including any limited look-back period for unfiled returns, shall be determined by the commissioner; provided, however, that the commissioner shall include, but not be limited to, the following tax types within the scope: corporate excise. Taxpayers participating in the amnesty program shall waive any right to receive subsequent refund of or otherwise to contest liability for the amounts paid pursuant to the amnesty. In determining the scope of the program, the Commissioner may decline to offer participation in the amnesty program in disputed tax matters where the Commissioner determines that such participation would not enhance revenue collection.

(b) The tax amnesty program shall be established for sixty days in fiscal year 2015 to be determined by the commissioner. All required payments shall be made in full by the taxpayer on or before June 30, 2015. If a taxpayer fails to pay the full liability on or before June 30, 2015, the commissioner shall retain any payments made and shall apply those payments against the outstanding liability and the tax amnesty program shall not apply.

(c) (1) The commissioner may waive penalties under the tax amnesty program for those taxpayers who have either an unpaid self-assessed liability or who have been assessed a tax liability, whether before or after the filing of a return, which assessed liability remains unpaid.

(2) The tax amnesty program shall not authorize the waiver of interest or any amount treated as interest.

(3) The commissioner's authority to waive penalties under the tax amnesty program shall not apply to any taxpayer who, before or during the period of the tax amnesty program selected by the commissioner, was or is the subject of a tax-related criminal investigation or prosecution or

to any taxpayer who delivers or discloses or has delivered or disclosed any false or fraudulent application, document, return or other statement.

(4) A taxpayer who delivers or discloses any false or fraudulent application, document, return or other statement to the department of revenue in connection with an amnesty application under this section shall be ineligible for amnesty and shall be subject to the greater of: (i) applicable penalties under chapter 62C of the General Laws; or (ii) a penalty not to exceed \$10,000 which shall be calculated and assessed according to rules determined by the commissioner and may be subject to de minimis or other exceptions that the commissioner may consider appropriate. This penalty shall be subject to said chapter 62C and shall be added to and become part of the tax due.

(d) To the extent that a taxpayer within the scope of the amnesty program as determined by the commissioner and wishing to participate in the amnesty program has postponed the payment of an assessment of tax, interest and penalty under subsection (e) of section 32 of chapter 62C of the General Laws, the taxpayer shall waive in writing all rights under said subsection (e) of said section 32 of said chapter 62C to further delay the payment of the tax and interest portions of the assessment. The tax and interest portions of the assessment shall be payable in full from the date of the commissioner's notice of assessment. Upon payment by the taxpayer of the tax and interest of the outstanding assessment, the commissioner shall waive all penalties associated with that assessment. Thereafter, the taxpayer and the commissioner shall proceed with all administrative appeal rights that the taxpayer wishes to pursue with respect to the assessment.

(e) The tax amnesty program established by this section shall not apply to those penalties which the commissioner would not have the sole authority to waive including, but not limited to, fuel taxes administered under the International Fuel Tax Agreement or under the local

option portions of taxes or excises collected for the benefit of cities, towns or state governmental authorities.

(f) The commissioner shall maintain records of the penalties waived under the tax amnesty program established by this section including, but not limited to: (i) the number of taxpayers provided with amnesty; (ii) the types of tax liability for which amnesty was provided and, for each type of liability, the amount of tax liability collected and the amount of penalties foregone by virtue of the tax amnesty program; and (iii) the total outstanding tax liability for amnesty-eligible taxpayers at the conclusion of the tax amnesty program after the collection of all funds under this section. The commissioner shall file a report detailing the information with the clerks of the senate and the house of representatives, the joint committee on revenue, the house and senate committees on ways and means and the house and senate minority leaders not later than September 1, 2015; provided, however, that the report shall not contain information sufficient to identify an individual taxpayer or the amnesty that an individual taxpayer was provided under this section.

(g) The commissioner shall establish administrative procedures and methods to prevent any taxpayer who utilizes the tax amnesty program from utilizing any future tax amnesty programs for the next consecutive 10 years, beginning in calendar year 2015.

MassHealth Benefits

SECTION 7. Notwithstanding section 53 of chapter 118E of the General Laws or any other general or special law to the contrary, the executive office of health and human services may manage the MassHealth program within the appropriated levels in items 4000-0430, 4000-0500, 4000-0600, 4000-0700, 4000-0875, 4000-0880, 4000-0885, 4000-0940, 4000-0950, 4000-0990,

4000-1400, and 4000-1420 by restructuring benefits to the extent permitted by federal law. The secretary shall file a report with the executive office for administration and finance and the house and senate committees on ways and means detailing the changes and the fiscal impact of those changes.

SECTION 8. Except as otherwise provided, this act shall take effect upon its enactment.