

HOUSE No. 610

By Mr. Campbell of Medford (by request), petition of Nathaniel M. Nichols for legislation to provide for amending the laws relative to the taxation of banks. Taxation.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Forty-Five.

AN ACT RELATIVE TO THE TAXATION OF BANKS.

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 two of chapter sixty-three of
2 the General Laws, as most recently amended by sec-
3 tion three of chapter five hundred and nine of the acts
4 of nineteen hundred and forty-one, is hereby further
5 amended by striking out the first sentence and insert-
6 ing in place thereof the following new sentence:—
7 Every bank shall pay annually a tax measured by its
8 net income, as defined in section one, at the rate
9 assessed upon other financial corporations; provided,
10 that such rate shall not be higher than the highest of
11 the rates assessed under this chapter upon mercantile
12 and business corporations doing business in the com-
13 monwealth; and further provided that the tax shall
14 not be less than a tax, equal to one per cent of the
15 dividends declared by such bank during the taxable
16 year.

1 SECTION 2. Section three of said chapter sixty-
2 three of the General Laws, as most recently amended
3 by section five of chapter three hundred and twenty-
4 three of the acts of nineteen hundred and thirty-four,
5 is hereby further amended by striking out the para-
6 graph contained in lines six to sixteen, inclusive, and
7 inserting in place thereof the following paragraph:—

8 A copy of such parts as the commissioner may
9 designate of the federal return or returns for the
10 year by the income of which the tax is to be measured,
11 provided that if any bank shall have participated in
12 filing a consolidated return of income to the federal
13 government, it shall file with the commissioner a
14 statement of net income in such form as he may
15 prescribe, showing its gross income and deductions
16 in accordance with the law and regulations governing
17 the usual federal returns of corporations not so par-
18 ticipating; such additional information as he may
19 require to determine the net income as defined in
20 section one; the amount of dividends declared by
21 such bank during the taxable year and such other
22 information as the commissioner may require to
23 determine the minimum tax imposed by section two.