

# HOUSE . . . . No. 1530

---

Bill accompanying the petition of Charles A. Morss relative to the definition of tangible and intangible property. Taxation. January 19.

---

## The Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Seventeen.

### AN ACT

Relative to the Definition of Tangible and Intangible Property.

*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. Part III of chapter four hundred and  
2 ninety of the acts of the year nineteen hundred and nine,  
3 as amended by section six of chapter one hundred and  
4 ninety-eight of the acts of the year nineteen hundred and  
5 fourteen, and further amended by section one of chapter  
6 thirty-four of the acts of the year nineteen hundred and  
7 fifteen, is hereby further amended by inserting after the  
8 first sentence of the third clause of section forty-one as  
9 amended the words:—Intangible property shall for the  
10 purposes of this section be regarded as “situated in  
11 another state or country” if the corporation has a usual  
12 place of business in such other state or country and such  
13 property is subject to taxation therein,—so that the  
14 said clause will read as follows:—Third. In case of a  
15 domestic business corporation, the value of the works,

16 structures, real estate, machinery, poles, underground  
17 conduits, wires and pipes owned by it within the com-  
18 monwealth subject to local taxation, and of securities  
19 which if owned by a natural person resident in this com-  
20 monwealth would not be liable to taxation; also the value  
21 of its property situated in another state or country and  
22 subject to taxation therein. Intangible property shall for  
23 the purposes of this section be regarded as "situated in  
24 another state or country" if the corporation has a usual  
25 place of business in such other state or country and such  
26 property is subject to taxation therein. There shall not  
27 be deducted the value of securities which if owned by a  
28 natural person resident in this commonwealth would be  
29 liable to taxation, nor shall there be deducted the value of  
30 any shares of stock of the corporation itself owned  
31 directly or indirectly by it or for its benefit; and the tax  
32 commissioner in determining for the purposes of taxation  
33 the value of the corporate franchise of any such corpora-  
34 tion shall not take into consideration any debts of such  
35 corporation unless the returns required from it contain a  
36 statement duly signed and sworn to, setting forth that no  
37 part of such debts was incurred for the purpose of re-  
38 ducing the amount of taxes to be paid by it.

1 SECTION 2. Part III of chapter four hundred and  
2 ninety of the acts of the year nineteen hundred and nine,  
3 as amended by section six of chapter one hundred and  
4 ninety-eight of the acts of the year nineteen hundred and  
5 fourteen, and further amended by section one of chapter  
6 thirty-four of the acts of the year nineteen hundred and  
7 fifteen, is hereby further amended by inserting after the  
8 words "section forty-one", wherever they appear in  
9 section forty-three as amended, the words: — as amended,  
10 — so that said section forty-three will read as follows: —

11 *Section 43.* Every corporation subject to the provisions  
12 of section forty shall annually pay a tax upon its cor-  
13 porate franchise, after making the deductions provided  
14 for in section forty-one as amended, at a rate equal to the  
15 average of the annual rates for three years preceding that  
16 in which such assessment is laid, the annual rate to be  
17 determined by an apportionment of the whole amount of  
18 money to be raised by taxation upon property in the  
19 commonwealth during the same year, as returned by the  
20 assessors of the several cities and towns under the pro-  
21 visions of section fifty-nine of Part I, after deducting  
22 therefrom the amount of tax assessed upon polls for the  
23 preceding year, as certified to the tax commissioner, upon  
24 the aggregate valuation of all cities and towns for the pre-  
25 ceding year, as returned under sections fifty-nine and  
26 sixty of Part I; but the said tax upon the value of the  
27 corporate franchise of a domestic business corporation,  
28 after making the deductions provided for in section forty-  
29 one as amended, shall not exceed a tax levied at the rate  
30 aforesaid upon an amount, less said deductions, twenty  
31 per cent in excess of the value, as found by the tax com-  
32 missioner, of the works, structures, real estate, machinery,  
33 poles, underground conduits, wires and pipes, and mer-  
34 chandise, and of securities which if owned by a natural  
35 person resident in this commonwealth would be liable to  
36 taxation; and the total amount of the tax to be paid by  
37 such corporation in any year upon its property locally  
38 taxed in this commonwealth and upon the value of its  
39 corporate franchise shall amount to not less than one  
40 tenth of one per cent of the market value of its capital  
41 stock at the time of said assessment as found by the tax  
42 commissioner.

1 SECTION 3. This act shall take effect upon its passage.

