

HOUSE No. 29

Accompanying the seventeenth recommendation of the Commissioner of Corporations and Taxation (House, No. 12). Taxation.

The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO THE TAXATION OF SAVINGS BANKS, SAVINGS DEPARTMENTS OF TRUST COMPANIES, CO-OPERATIVE BANKS, CREDIT UNIONS AND FEDERAL SAVINGS AND LOAN ASSOCIATIONS.

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 12 of chapter 63 of the General
2 Laws, as most recently amended by section 7A of
3 chapter 544 of the acts of 1948, is hereby further
4 amended by striking out the first two lines and in-
5 serting in place thereof the following: — So much of
6 said deposits shall be exempt from taxation under the
7 preceding section as is invested in any of the follow-
8 ing; provided, that the amount to be assessed and
9 paid semi-annually by every such bank and trust
10 company under section eleven shall not be less than
11 two and one half per cent of the total amount of
12 interest or dividends credited or paid by it to its
13 depositors during the six months period for which
14 deposits are to be averaged for the purposes of the

15 assessment, — so that section twelve will read as fol-
16 lows: — *Section 12.* So much of said deposits shall
17 be exempt from taxation under the preceding section
18 as is invested in any of the following; provided, that
19 the amount to be assessed and paid semi-annually by
20 every such bank and trust company under section
21 eleven shall not be less than two and one half per cent
22 of the total amount of the interest or dividends cred-
23 ited or paid by it to its depositors during the six
24 months' period for which deposits are to be averaged
25 for the purposes of the assessment: —

26 (a) Real estate used for banking purposes.

27 (b) Loans secured by mortgage of real estate tax-
28 able in this commonwealth.

29 (c) Real estate the title of which has been acquired
30 by foreclosure or purchase under clause twelfth of
31 section fifty-four of chapter one hundred and sixty-
32 eight, for five years after the title thereof is vested in
33 the corporation, and for such additional time as the
34 commissioner of banks may, under said clause, permit
35 said corporation to retain said real estate.

36 (d) Bonds or certificates of indebtedness of the
37 United States.

38 (e) Bonds or certificates of indebtedness of the
39 commonwealth issued after January first, nineteen
40 hundred and six.

41 (f) Bonds, notes and certificates of indebtedness of
42 any county, fire district, water district, light district,
43 improvement district, city or town in the common-
44 wealth, issued on or after May first, nineteen hundred
45 and eight, stating on their face that they are exempt
46 from taxation in Massachusetts.

47 (g) Shares of stock of trust companies organized
48 under the laws of the commonwealth.

49 (h) Bonds and certificates of indebtedness of the
50 Home Owners' Loan Corporation, if acquired in ex-
51 change for loans secured by mortgage of real estate
52 taxable in this commonwealth or in exchange for any
53 real estate title to which was acquired by foreclosure
54 or purchase and held under clause twelfth of section
55 fifty-four of chapter one hundred and sixty-eight, or
56 such bonds or certificates obtained through conver-
57 sion of bonds or certificates so acquired pursuant to
58 the provisions of the act of congress known as the
59 Home Owners' Loan Act of 1933, as amended by an
60 act effective April twenty-seventh, nineteen hundred
61 and thirty-four.

62 (i) Bonds issued by the New Bedford, Woods Hole,
63 Martha's Vineyard and Nantucket Steamship Au-
64 thority.

1 SECTION 2. Said chapter 63 of the General Laws
2 is hereby further amended by striking out section 19
3 and inserting in place thereof the following: —

4 *Section 19.* Except as otherwise provided in sec-
5 tion nineteen A, the capital stock, corporate franchises
6 and personal property, but not the real estate, of
7 co-operative banks shall be exempt from taxation.

1 SECTION 3. Said chapter 63 of the General Laws
2 is hereby further amended by inserting after section
3 19 the following new section: —

4 *Section 19A.* Every co-operative bank shall pay
5 to the commissioner an annual tax equal to two and
6 one half per cent of the amount of interest or divi-
7 dends credited or paid by it to its shareholders, to be
8 assessed and paid as follows: — two and one half per
9 cent shall be assessed by the commissioner upon the

10 interest or dividends paid or credited in the six months'
11 period preceding May first, and the amount so as-
12 sessed shall be paid to the commissioner on or before
13 May twenty-fifth; and a like percentage shall be as-
14 sessed upon the interest or dividends paid or credited
15 in the six months preceding November first, and the
16 amount so assessed shall be paid to the commissioner
17 on or before November twenty-fifth. Every co-
18 operative bank shall semi-annually, on or before May
19 tenth and November tenth, make a return to the
20 commissioner, signed and sworn to by its treasurer or
21 other principal officer, of the amount of interest or
22 dividends credited or paid by it to its shareholders
23 during the period for which the tax is to be assessed,
24 and containing such other information as the com-
25 missioner may reasonably require for the purpose of
26 assessing the tax imposed by this section. Failure to
27 file a return or the making of a false statement in a
28 return shall subject the bank to the same penalties as
29 apply to savings banks in like cases, and the provisions
30 of this chapter relative to the collection, abatement
31 and administration of taxes applicable to savings
32 banks shall, so far as pertinent, be applicable to taxes
33 under this section.

1 SECTION 4. Said chapter 63 of the General Laws
2 is hereby further amended by inserting after section
3 19A, as inserted by section 3 of this act, under the
4 caption "TAXATION OF FEDERAL SAVINGS AND LOAN
5 ASSOCIATIONS," the following new section:—
6 *Section 19B.* Every federal savings and loan asso-
7 ciation doing business in this commonwealth shall pay
8 to the commissioner an annual tax equal to two and
9 one half per cent of the amount of interest or divi-

10 dends credited or paid by it to its shareholders or
11 depositors, to be assessed and paid as follows: — two
12 and one half per cent shall be assessed by the com-
13 missioner upon the interest or dividends paid or
14 credited in the six months preceding May first, and
15 the amount so assessed shall be paid to the commis-
16 sioner on or before May twenty-fifth; and a like per-
17 centage shall be assessed upon the interest or divi-
18 dends paid or credited in the six months preceding
19 November first, and the amount so assessed shall be
20 paid to the commissioner on or before November
21 twenty-fifth. Every such association shall semi-
22 annually, on or before May tenth and November
23 tenth, make a return to the commissioner, signed and
24 sworn to by its treasurer or other principal officer, of
25 the amount of interest or dividends credited or paid
26 by it to its shareholders or depositors during the period
27 for which the tax is to be assessed, and containing such
28 other information as the commissioner may reason-
29 ably require for the purpose of assessing the tax im-
30 posed by this section. Failure to file a return or the
31 making of a false statement in a return shall subject
32 the association to the same penalties as apply to sav-
33 ings banks in like cases, and the provisions of this
34 chapter relative to the collection, abatement and ad-
35 ministration of taxes applicable to savings banks shall,
36 so far as pertinent, be applicable to taxes under this
37 section.

1 SECTION 5. Said chapter 63 of the General Laws
2 is hereby further amended by inserting after section
3 19B, as inserted by section 4 of this act, under the
4 caption TAXATION OF CREDIT UNIONS the following
5 new section: —

6 *Section 19C.* Every credit union shall pay to the
7 commissioner an annual tax equal to two and one
8 half per cent of the amount of interest or dividends
9 credited or paid by it to its shareholders or depositors,
10 to be assessed and paid as follows:—two and one
11 half per cent shall be assessed by the commissioner
12 upon the interest or dividends paid or credited in the
13 six months preceding May first, and the amount so
14 assessed shall be paid to the commissioner on or be-
15 fore May twenty-fifth; and a like percentage shall be
16 assessed upon the interest or dividends paid or cred-
17 ited in the six months preceding November first, and
18 the amount so assessed shall be paid to the commis-
19 sioner on or before November twenty-fifth. Every
20 such credit union shall semi-annually, on or before May
21 tenth and November tenth, make a return to the
22 commissioner, signed and sworn to by its treasurer or
23 other principal officer, of the amount of interest or
24 dividends credited or paid by it to its shareholders
25 during the period for which the tax is to be assessed,
26 and containing such other information as the com-
27 missioner may reasonably require for the purpose of
28 assessing the tax imposed by this section. Failure to
29 file a return or the making of a false statement in a
30 return shall subject the credit union to the same
31 penalties as applied to savings banks in like cases,
32 and the provisions of this chapter relative to the
33 collection, abatement and administration of taxes ap-
34 plicable to savings banks shall, so far as pertinent, be
35 applicable to taxes under this section.

1 SECTION 6. This act shall take effect November
2 first, nineteen hundred and fifty-one.

The first part of the year was spent in the
 study of the history of the country and the
 progress of the various branches of industry
 and commerce. The second part was devoted
 to the study of the natural history of the
 country, and the progress of the various
 branches of agriculture and husbandry.
 The third part was devoted to the study
 of the political and social condition of the
 country, and the progress of the various
 branches of the arts and sciences.
 The fourth part was devoted to the study
 of the military and naval history of the
 country, and the progress of the various
 branches of the military and naval arts.
 The fifth part was devoted to the study
 of the history of the various nations of the
 world, and the progress of the various
 branches of the history of the world.
 The sixth part was devoted to the study
 of the history of the various nations of the
 world, and the progress of the various
 branches of the history of the world.
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 The ninth part was devoted to the study
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 The tenth part was devoted to the study
 of the history of the various nations of the
 world, and the progress of the various
 branches of the history of the world.