
By Mr. Mahar of Orange, petition of Henry F. Long (Commissioner of Corporations and Taxation) for legislation relative to the taxation of co-operative corporations. Taxation.

The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO THE TAXATION OF CO-OPERATIVE
CORPORATIONS.

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. Chapter sixty-three of the General
2 Laws is hereby amended by inserting after section
3 twenty-nine, under the caption TAXATION OF CO-
4 OPERATIVE CORPORATIONS, the following new sec-
5 tions:—

6 *Section 29A.* When used in this section, and in
7 sections twenty-nine B to thirty, inclusive, the fol-
8 lowing terms shall have the following meanings:—

9 “Domestic Co-operative Corporation”, every cor-
10 poration organized under the laws of the common-
11 wealth, with or without capital stock, to which provi-
12 sions of chapter one hundred and fifty-seven are
13 applicable.

14 “Foreign Co-operative Corporation”, every cor-
15 poration, association or organization established,
16 organized or chartered under laws other than those
17 of the commonwealth, for purposes similar to those
18 of domestic co-operative corporations, having a usual

19 place of business or carrying on business in the com-
20 monwealth.

21 *Section 29B.* Every domestic co-operative cor-
22 poration and every foreign co-operative corporation
23 shall pay annually an excise equal to one half of one
24 per cent of its gross receipts from business assignable
25 to the commonwealth as defined in clause six of section
26 thirty-eight, provided, that every such corporation
27 shall pay annually a total excise not less in amount
28 than ten dollars.

29 *Section 29C.* All provisions of this chapter rela-
30 tive to the assessment, collection, payment, abate-
31 ment, verification and administration of taxes, in-
32 cluding penalties, applicable to domestic business
33 corporations and foreign corporations, as defined in
34 section thirty, shall, so far as pertinent, be applicable
35 to taxes under section twenty-nine B; provided, that
36 the entire tax under section twenty-nine B shall be
37 due on October twentieth and not in any part when
38 the tax return is required to be filed.

1 SECTION 2. Section thirty of said chapter sixty-
2 three, as most recently amended by chapter twenty-
3 four of the acts of nineteen hundred and thirty-nine,
4 is hereby further amended by striking out paragraphs
5 one and two and inserting in place thereof the fol-
6 lowing:—

7 1. "Domestic business corporation", every cor-
8 poration organized under or subject to chapter one
9 hundred and fifty-six, except a domestic co-operative
10 corporation as defined in section twenty-nine A and
11 except a domestic manufacturing corporation as
12 defined in section thirty-eight C.

13 2. "Foreign corporation", every corporation, asso-

14 ciation or organization established, organized or
15 chartered under laws other than those of the common-
16 wealth for purposes for which domestic corporations
17 may be organized under chapter one hundred and
18 fifty-six which has a usual place of business in this
19 commonwealth or is engaged here permanently or
20 temporarily, in the construction, erection, alteration
21 or repair of a building, bridge, railroad, railway or
22 structure of any kind; provided, that said term shall
23 not apply to a foreign co-operative corporation as
24 defined in section twenty-nine A, or to a foreign
25 manufacturing corporation as defined in section
26 forty-two B.

1 SECTION 3. Section five of chapter fifty-nine of
2 the General Laws, as most recently amended by
3 chapter four hundred and fifty-one of the acts of
4 nineteen hundred and thirty-nine, is hereby further
5 amended by striking out the sixteenth clause and
6 inserting in place thereof the following:—

7 Sixteenth, Property, other than real estate, poles,
8 underground conduits, wires and pipes, and other
9 than machinery used in manufacture or in supplying
10 or distributing water, owned by Massachusetts savings
11 banks or co-operative banks, by Massachusetts cor-
12 porations subject to taxation under chapter sixty-three
13 except domestic co-operative corporations as defined
14 in section twenty-nine A of said chapter, domestic
15 business corporations as defined in section thirty
16 of said chapter or domestic manufacturing corpora-
17 tions, as defined in section thirty-eight C of said
18 chapter, or by foreign corporations subject to taxa-
19 tion under section fifty-eight of said chapter; also
20 property, other than real estate, poles, underground

21 conduits, wires and pipes, and other than machinery
22 used in the conduct of the business, owned by domes-
23 tic business corporations or by foreign corporations,
24 as defined in section thirty of chapter sixty-three;
25 also property, other than real estate, poles, under-
26 ground conduits, wires and pipes, owned by domestic
27 manufacturing corporations, as defined in section
28 thirty-eight C of said chapter, or by foreign manu-
29 facturing corporations, as defined in section forty-
30 two B of said chapter; provided, that the term
31 "machinery used in the conduct of the business" shall
32 not, as herein used, be deemed to include stock in
33 trade and that the classification by the commissioner
34 of domestic business corporations and foreign cor-
35 porations, as defined in section thirty of chapter
36 sixty-three, of domestic manufacturing corporations,
37 as defined in section thirty-eight C of said chapter,
38 and of foreign manufacturing corporations, as defined
39 in section forty-two B of said chapter, shall be fol-
40 lowed in the assessment under this chapter of ma-
41 chinery used in the conduct of the business.

1 SECTION 4. Section eighteen of chapter one hun-
2 dred and fifty-seven of the General Laws, as appearing
3 in the Tercentenary Edition, is hereby amended by
4 striking out the first sentence, so as to read as
5 follows:—

6 *Section 18.* The fee for filing the articles of
7 organization required by section ten, including the
8 issuing by the state secretary of the certificate of
9 incorporation, shall be fifty dollars.

1 SECTION 5. This act shall apply to taxes assessed
2 in the year nineteen hundred and forty-two and
3 thereafter.