

HOUSE No. 360

By Mr. Campbell of Medford (by request), petition of Henry F. Long (Commissioner of Corporations and Taxation) for legislation relative to the taxation of transfers of stock. Taxation.

The Commonwealth of Massachusetts

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

AN ACT RELATING TO THE TAXATION OF TRANSFERS OF STOCK.

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 64 of the General Laws is
2 hereby amended by striking out section 1, as appear-
3 ing in the Tercentenary Edition, and inserting in
4 place thereof the following:—

5 *Section 1.* An excise shall immediately accrue and
6 be collected on all sales or agreements to sell or
7 memoranda of sales or deliveries or transfers of shares
8 or certificates of stock in any domestic or foreign
9 corporation, or transfers of the right to receive such
10 shares or certificates, whether made upon or shown
11 by the books of the corporation, or by any assign-
12 ment in blank, or by any delivery, or by any paper
13 or agreement or memorandum or other evidence of
14 transfer or sale, whether or not entitling the holder
15 in any manner to the benefit of such stock or to

16 secure the future payment of money or the future
17 transfer of any stock, of two cents on each one hun-
18 dred dollars of face value or fraction thereof, except
19 in cases where the shares or certificates of stock are
20 issued without face value, in which case the excise
21 shall be at the rate of two cents for each and every
22 share of stock. The person making or effectuating
23 the sale or transfer shall procure, affix and cancel the
24 stamps and pay the excise imposed by this section.
25 Said excise shall not apply to the original issue of
26 shares of stock; nor to an agreement evidencing the
27 deposit of stock certificates as collateral security for
28 money loaned thereon, which certificates are not
29 actually sold, nor to such certificates so deposited, if
30 the legal title to the stock is not transferred; nor to
31 the transfer of stock certificates of a deceased person
32 to his executor or administrator; nor to the transfer
33 of stock certificates by a trustee to his successor or
34 co-trustee under the same trust. The payment of
35 said excise shall be denoted by adhesive stamps
36 affixed as follows: in case of sale where the evidence
37 of transfer is shown only by the books of the com-
38 pany, the stamp shall be placed on said books; and
39 where the change of ownership is by transfer of a
40 certificate the stamp shall be placed on the certificate;
41 and in cases of an agreement to sell, or where the
42 transfer is by delivery of the certificate assigned in
43 blank, there shall be made and delivered by the seller
44 to the buyer a bill or memorandum of sale, to which
45 the stamp shall be affixed; and every such bill or
46 memorandum of sale or agreement to sell shall show
47 the date thereof, the name of the seller, the number
48 of shares and the face value, if any, and the matter
49 or thing to which it refers, and no further excise is

50 hereby imposed upon the delivery of the certificate of
51 stock, or upon the actual issue of a new certificate
52 when the original certificate of stock is accompanied
53 by the duly stamped memorandum of sale or agree-
54 ment to sell as herein provided.

1 SECTION 2. Said chapter 64 is further amended by
2 striking out section 2, as appearing in the Tercen-
3 tenary Edition, and inserting in place thereof the
4 following: —

5 *Section 2.* Said excise shall accrue and be collected
6 on all sales or agreements to sell or memoranda of
7 sales or deliveries or transfers of the certificates of
8 participation or shares of all trusts or voluntary
9 associations existing under an instrument or declara-
10 tion of trust the beneficial interest under which is
11 divided into transferable certificates of participation
12 or shares, or transfers of the right to receive such
13 shares or certificates, except such issues, agreements
14 and transfers as are excepted by the preceding sec-
15 tion; and all provisions made in this chapter for the
16 regulation and collection of the excise, and all the
17 penalties and forfeitures in connection therewith,
18 shall apply to the excise to be collected under this
19 section.

