

HOUSE No. 395

At the request of Mr. Gott of Arlington, the petition of Nathaniel M. Nichols relative to the taxation of deposits in savings banks and savings departments of trust companies, was taken from the files of the preceding annual session. Taxation.

The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO THE TAXATION OF DEPOSITS IN SAVINGS BANKS AND SAVINGS DEPARTMENTS OF TRUST COMPANIES.

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 11 of chapter 63 of the General
2 Laws, as appearing in the Tercentenary Edition, is
3 hereby amended by striking out, in the fifth, sixth
4 and seventh lines, the words "in a savings bank, and
5 on the amount of the deposits in the savings depart-
6 ment of a trust company" and inserting in place
7 thereof the following:—in such savings bank or
8 savings department less the deductions provided in
9 section twelve, — so as to read as follows:—*Section*
10 *11.* Every savings bank and every trust company
11 having a savings department, as defined respectively
12 in chapters one hundred and sixty-eight and one
13 hundred and seventy-two, shall pay to the commis-

14 sioner, on account of its depositors, an annual tax of
15 one half of one per cent, which shall be levied on the
16 amount of the deposits in such savings bank or savings
17 department less the deductions provided in section
18 twelve, to be assessed and paid as follows: one fourth
19 of one per cent shall be assessed by the commissioner
20 upon the average amount of such deposits for the six
21 months preceding May first, and paid on or before
22 May twenty-fifth; and a like percentage shall be
23 assessed upon the average amount of such deposits
24 for the six months preceding November first, and
25 paid on or before November twenty-fifth.

1 SECTION 2. Section 12 of said chapter 63 of the
2 General Laws, as most recently amended by chapter
3 274 of the acts of 1937, is hereby further amended by
4 striking out the first two lines and inserting in place
5 thereof the following:— From the average amount
6 of such deposits there shall be deducted such propor-
7 tion of the average amount of the investments of the
8 savings bank or savings department in the following
9 items as the average amount of such deposits bears
10 to the average amount of all its assets; provided,
11 that the amount to be assessed and paid semi-annually
12 by every such bank and trust company under section
13 eleven shall not be less than one fortieth of one per
14 cent of the average amount of such deposits, — so
15 that section twelve will read as follows:— *Section 12.*
16 From the average amount of such deposits there
17 shall be deducted such proportion of the average
18 amount of the investments of the savings bank or
19 savings department in the following items as the
20 average amount of such deposits bears to the average
21 amount of all its assets; provided, that the amount

22 to be assessed and paid semi-annually by every such
23 bank and trust company under section eleven shall
24 not be less than one fortieth of one per cent of the
25 average amount of such deposits:—

26 (a) Real estate used for banking purposes.

27 (b) Loans secured by mortgage of real estate
28 taxable 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
51 exchange 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.