

SENATE No. 398

To accompany the petition of Jarvis Hunt, general counsel, Associated Industries of Massachusetts, for legislation relative to the taxation of certain business corporations. Taxation.

The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO THE TAXATION OF CERTAIN BUSINESS CORPORATIONS.

1 *Whereas*, Any delay in the taking effect of this act
2 might tend to defeat its purpose, therefore it is hereby
3 declared to be an emergency law, necessary for the
4 immediate preservation of the public convenience.

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 63 of the General Laws is
2 hereby amended by inserting after paragraph (d),
3 subsection 3 of section 30, the following paragraph:—
4 (e) Capital stock of another domestic business or
5 domestic manufacturing corporation; provided, the
6 corporation owns more than fifty per cent of the stock
7 of such other corporation.

1 SECTION 2. Chapter 63 of the General Laws is
2 hereby amended by striking out subsection 5 of
3 section 30 and inserting the following:—

4 "Net income", the gross income from all sources
5 except income received as dividends upon shares of
6 another domestic business or domestic manufacturing
7 corporation; provided, the corporation owns more
8 than fifty per cent of the capital stock of such other
9 domestic business or domestic manufacturing cor-
10 poration, for the taxable year, less the deductions,
11 other than losses sustained by the corporation in
12 other fiscal or calendar years and other than dividends
13 allowable by the federal revenue act applicable for
14 said taxable year.

1 SECTION 3. The provisions of this act shall apply
2 to taxes assessed in the year nineteen hundred and
3 forty-seven and thereafter.