

By Mr. Hodder of Framingham (by request), petition of the Massachusetts Social Security Association, Inc., for legislation to provide for a tax on the net income of banks and trust companies and an increased tax on all insurance companies doing business in the Commonwealth. Taxation.

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## The Commonwealth of Massachusetts

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

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AN ACT TO PROVIDE FOR A TAX ON THE NET INCOME OF ALL BANKS AND TRUST COMPANIES AND AN INCREASED TAX ON ALL INSURANCE COMPANIES DOING BUSINESS IN THE COMMONWEALTH.

*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 2 of chapter 63 of the General  
2 Laws is hereby amended by striking out the said sec-  
3 tion 2 and inserting in place thereof the following:—

4 *Section 2.* Every bank shall pay annually a tax  
5 measured by its net income, as defined in section one,  
6 in an amount equal to twenty per cent of its net income  
7 determined to be taxable in accordance with the pro-  
8 visions of this chapter, after deducting from said net  
9 income, an exemption of ten thousand dollars.

1 SECTION 2. Section 20 of chapter 63 of the General  
2 Laws is hereby amended by striking out the words  
3 “one quarter of one per cent” in the first sentence and

4 inserting in place thereof the words:— one half of  
5 one per cent.

1 SECTION 3. Section 22 of chapter 63 of the General  
2 Laws is hereby amended by striking out the words  
3 “one per cent” in the first sentence and inserting in  
4 place thereof the words:— two per cent.

1 SECTION 4. Section 23 of chapter 63 of the General  
2 Laws is hereby amended by striking out the words  
3 “two per cent” in the first sentence and inserting in  
4 place thereof the words:— four per cent.

1 SECTION 5. If the provisions of this act imposing  
2 an excise on banks and insurance companies are de-  
3 clared unconstitutional or inoperative by a final judg-  
4 ment, order or decree of the supreme court of the  
5 United States or of the supreme judicial court of the  
6 commonwealth, such portion of the law relating to  
7 banks and insurance companies shall be null and void,  
8 and such portion of said law as relates in part to banks  
9 and insurance companies, shall become inapplicable  
10 to such banks and insurance companies. In such  
11 event, all laws applicable to banks and insurance com-  
12 panies which were repealed or were made inoperative  
13 as to, or inapplicable to, banks and such companies  
14 shall thereupon be revived and become operative and  
15 applicable in respect to such banks and companies  
16 and shall be continued in full force and effect from the  
17 first day of January antedating by three years the  
18 first day of January of the calendar year in which such  
19 final judgment, order or decree is entered, to the same  
20 extent as if this chapter had not been enacted.

21 If any part, section or subdivision of this chapter  
22 shall be declared unconstitutional or inoperative, the  
23 remaining provisions shall not be affected thereby.