

# HOUSE . . . . No. 1223

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By Mr. Waites of Melrose (by request), petition of Henry F. Long (Commissioner of Corporations and Taxation) for legislation to define the cost of intangible personal property received as gifts. Taxation.

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## The Commonwealth of Massachusetts

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

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### AN ACT DEFINING COST OF INTANGIBLE PERSONAL PROPERTY RECEIVED AS A GIFT.

*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 7 of chapter 62 of the General  
2 Laws, as amended, is hereby further amended in the  
3 second paragraph by striking out the words "ac-  
4 quired by gift, the basis of determination of gain or  
5 loss shall be the value on the date when it was so  
6 acquired" and inserting in place thereof the words:—  
7 acquired by gift, the basis of determination of the gain  
8 or loss shall be the cost to the donor, — so as to read  
9 as follows:— *Section 7.* In determining gains or  
10 losses realized from the sale of capital assets, the basis  
11 of determination in the case of property owned on  
12 January first, nineteen hundred and sixteen, shall be  
13 the value on that date or the cost thereof, whichever  
14 is higher, and in case of property acquired by purchase  
15 thereafter, except as otherwise expressly provided,

16 the cost thereof. If the property other than stock  
17 dividends in new stock of the company issuing the  
18 same and rights to subscribe to securities was acquired  
19 by gift, the basis of determination of the gain or loss  
20 shall be the cost to the donor.

1 SECTION 2. This act shall take effect on January  
2 first, nineteen hundred and fifty, and shall apply to  
3 income received in the calendar year nineteen hundred  
4 and forty-nine and thereafter.