

# SENATE . . . . No. 443

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To accompany the petition of Augustin H. Parker, Jr., for legislation to clarify the application of the income tax as to certain future interests. Taxation.

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## The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Fifty.

### AN ACT TO CLARIFY THE APPLICATION OF THE INCOME TAX AS TO CERTAIN FUTURE INTERESTS.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 Paragraph (3) of section 10 of chapter 62 of the  
2 General Laws is hereby amended by striking out in  
3 lines 32, 33 and 34, as appearing in the Tercentenary  
4 Edition, the words "not subject to be divested by  
5 the happening of any contingency expressly mentioned  
6 in the instrument creating the trust", and by substi-  
7 tuting therefor the words: — which is either (a) not  
8 subject to be divested, or (b) subject to be divested  
9 only upon a contingency or contingencies, where the  
10 value of all the resulting contingent estates, when  
11 computed by actuarial methods, is less than ten per  
12 cent of the value of the trust property or share thereof  
13 yielding the income in question, — so as to read as  
14 follows: —

15 (3) Where any one or more of the trustees is an  
16 inhabitant of the commonwealth the proportion of

17 the income accumulated for unborn or unascertained  
18 persons or persons with uncertain interests shall be  
19 taxed which is represented by the ratio of trustees  
20 who are inhabitants of the commonwealth to the  
21 total number of trustees. For the purposes of this  
22 section and of section nine income shall be deemed  
23 to be accumulated for unborn or unascertained per-  
24 sons or persons with uncertain interests when thus  
25 accumulated by estates, by trustees or other fidu-  
26 ciaries, who are subject to the provisions of this sec-  
27 tion or of section nine, for the benefit of any future  
28 interest other than a remainder presently vested in a  
29 person or persons in being which is either (a) not  
30 subject to be divested, or (b) subject to be divested  
31 only upon a contingency or contingencies, where the  
32 value of all the resulting contingent estates, when  
33 computed by actuarial methods is less than ten per  
34 cent of the value of the trust property or share thereof  
35 yielding the income in question.