

The Commonwealth of Massachusetts

---

COMMISSION ON ADMINISTRATION AND FINANCE,  
STATE HOUSE, BOSTON 33, April 14, 1954.

*To the Honorable Senate and House of Representatives.*

I am enclosing herewith proposed legislation under the provisions of chapter 7, section 7, of the General Laws, "An Act clarifying the Law with Respect to the Taxation of Certain Dividends." This bill is designed to correct an obvious inconsistency in our statutes with respect to the taxation of dividends paid by domestic corporations.

Since chapter 59, section 5, clause thirty-first specifically describes domestic corporations, section 8 (e) of chapter 62 apparently exempts dividends on such stock from taxation. In 1933 (chapter 307) a temporary tax was placed upon the same dividends received by an inhabitant of Massachusetts, beginning with the calendar year 1933 and continuing through the calendar year 1945. This temporary legislation was made permanent by the Acts of 1945 (chapter 735), and was made to apply to dividends received in 1946 and thereafter.

The 1945 legislation amended section 1, subsection (b) of chapter 62, but did not make the related technical amendment to section 8 (e) which would have been required to make the statute consistent. This bill would make that clarifying amendment.

While it is true that the courts would probably hold that the later statutes repealed the earlier acts by implication, it is nevertheless a fact that the courts have consistently frowned upon the repeal of statutes by implication. Therefore, in order to make the statutes involved uniform and incapable of misinterpretation, it

is highly desirable to correct the law as provided in the proposed bill.

I would, therefore, appreciate your filing this bill with the proper committee.

Very truly yours,

CARL A. SHERIDAN,  
*Commissioner of Administration.*

## The Commonwealth of Massachusetts

---

In the Year One Thousand Nine Hundred and Fifty-Four.

---

### AN ACT CLARIFYING THE LAW WITH RESPECT TO THE TAXATION OF CERTAIN DIVIDENDS.

*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 (e) of section 8 of chapter 62 of the  
2 General Laws, as appearing in the Tercentenary  
3 Edition, is hereby amended by inserting after the  
4 word "twenty-ninth" the word: — thirty-first, — so  
5 as to read as follows: — (e) Income of intangible per-  
6 sonal property exempt from taxation by section five  
7 of chapter fifty-nine, except under clauses seventeenth,  
8 eighteenth, twenty-second, twenty-third, twenty-  
9 seventh, twenty-ninth, thirty-first and thirty-third  
10 of said section.

