

of the Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Fifty-Four

AN ACT RELATIVE TO THE DISTRIBUTION OF CERTAIN

CERTAIN REVENUE

IN RESPONSE TO A RESOLUTION OF THE SENATE

HOUSE No. 2847

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, May 10, 1954.

The committee on Taxation, to whom was referred so much of the recommendations of the State Tax Commission (House, No. 89) as relates to the taxation of certain dividends (accompanied by bill, House, No. 108), report the accompanying bill (House, No. 2847).

For the committee,

GEORGE W. PORTER.

The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO THE DISTRIBUTION OF CAPITAL AND CERTAIN PROFITS.

1 *Whereas*, The deferred operation of this act would
2 tend to defeat its purpose, which is to make immedi-
3 ately effective the provisions thereof, therefore it is
4 hereby declared to be an emergency law, necessary for
5 the 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 of chapter 62 of the General Laws is hereby
2 amended by striking out subsection (g), as appearing
3 in the Tercentenary Edition, and inserting in place
4 thereof the following subsection:

5 (g) No distribution of capital, whether in liquidation
6 or otherwise, shall be taxable as income under this
7 section; but accumulated profits shall not be regarded
8 as capital under this provision. Any accumulated
9 profits which have been transferred to capital, by
10 stock dividend or otherwise, within two years prior to
11 liquidation, in whole or in part, shall not be regarded
12 as capital for the purposes of this subsection.

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