

# SENATE . . . . No. 517

---

---

To accompany the petition of Roy F. Williams for legislation relative to the tax on gains from the exchange of intangible personal property. Taxation.

---

---

## The Commonwealth of Massachusetts

---

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

---

AN ACT TO AMEND THE LAW IN REGARD TO THE TAX ON GAINS FROM THE EXCHANGE OF INTANGIBLE PERSONAL PROPERTY.

*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 5 (c) of chapter 62 of the General  
2 Laws, as amended, is hereby further amended by striking  
3 out in the last full sentence of subsection (c) the words  
4 "of one or more corporations or", — and by adding at  
5 the end of said subsection (c) the following: — if, in any  
6 exchange of shares for shares upon the reorganization,  
7 within the meaning of the Internal Revenue Code of  
8 1954, of one or more corporations, gain or loss is not rec-  
9 ognized for federal income tax purposes, no gain or loss  
10 shall be deemed to accrue from such exchange until a  
11 sale or further taxable exchange of such new shares is  
12 made.

1 SECTION 2. This act shall apply to all such exchanges  
2 occurring after January first, nineteen hundred and fifty-  
3 five.

