
Accompanying the eleventh recommendation of the State Tax Commission
(House, No. 99). Taxation.

The Commonwealth of Massachusetts

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

AN ACT TO PERMIT INCOME TO BE REPORTED ON THE INSTALLMENT METHOD UNDER CERTAIN CIRCUMSTANCES.

*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. Chapter 62 of the General Laws is hereby
2 amended by inserting at the end thereof the following new
3 section:—

4 *Section 63.* (a) The state tax commission, hereinafter called
5 the commission, may, by regulation, permit taxpayers described
6 in paragraph (b) of this section to return as income in any year
7 that proportion of the installment payments actually received
8 in such year which the gross profit, realized or to be realized
9 when payment is completed, bears to the total contract price.

10 (b) The provisions of paragraph (a) of this section shall apply
11 to a taxpayer (i) who regularly sells or otherwise disposes of
12 personal property on the installment plan or (ii) who has made
13 a casual sale or other casual disposition of personal property
14 (other than property of a kind which would properly be in-
15 cluded in the inventory of such taxpayer if on hand at the close
16 of the taxable year) for a price exceeding one thousand dollars
17 or has made a sale or other disposition of real property, and the
18 payments, if any (exclusive of evidences of indebtedness of the
19 purchaser), received on account of such sale or disposition during
20 the year in which the sale or disposition was made do not ex-
21 ceed thirty per cent of the selling price.

22 (c) The commission may, in any regulations promulgated by
23 it, make the use of the installment method referred to in para-

24 graph (a) subject to the receipt by it of appropriate security or
25 commitments from the taxpayer that the entire unpaid tax on
26 the gain resulting from any installment sale will be paid in the
27 event that the taxpayer ceases to be an inhabitant of the com-
28 monwealth, dies, or disposes of the evidences of indebtedness of
29 the purchaser.

1 SECTION 2. This act shall apply with respect to taxable years
2 commencing after December thirty-first, nineteen hundred and
3 fifty-seven.