

HOUSE . . . . . No. 2404

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**The Commonwealth of Massachusetts**

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COMMISSION ON ADMINISTRATION AND FINANCE,  
STATE HOUSE, BOSTON 33, January 21, 1959.

*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 to Provide Funds for State Activities by Continuing Certain Taxes."

I would appreciate your filing this bill with the proper Committee.

Respectfully submitted,

JEREMIAH D. CROWLEY,  
*Acting Commissioner of Administration.*

## The Commonwealth of Massachusetts

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

### AN ACT TO PROVIDE FUNDS FOR STATE ACTIVITIES BY CONTINUING CERTAIN TAXES.

1 *Whereas*, The deferred operation of this act would tend to  
2 defeat its purpose, which is to provide funds forthwith for state  
2 activities, therefore it is hereby declared to be an emergency  
4 law, necessary for the immediate preservation of the public  
5 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. There is hereby imposed upon all domestic manu-  
2 facturing corporations, foreign manufacturing corporations, do-  
3 mestic business corporations and foreign corporations, as defined  
4 in chapter sixty-three of the General Laws, as amended, in addi-  
5 tion to the taxes levied under the provisions of sections thirty  
6 to fifty-one, inclusive, of said chapter sixty-three and all acts in  
7 amendment thereof and in addition thereto, and in addition to  
8 the taxes imposed upon such corporations under section nine of  
9 chapter seven hundred and twenty-nine of the acts of nineteen  
10 hundred and forty-one, an additional excise tax equal to three  
11 per cent of the net income of each such corporation determined  
12 to be taxable in accordance with the provisions of said chapter  
13 sixty-three; provided, that the tax imposed by this section shall  
14 not apply to corporations taxable under section thirty-eight B  
15 of said chapter sixty-three. All provisions of law relative to the  
16 assessment, payment, collection and abatement of the taxes  
17 imposed under said chapter sixty-three upon corporations tax-  
18 able hereunder shall apply to the additional taxes herein im-  
19 posed. This section shall apply only to taxes levied in or on  
20 account of the calendar year nineteen hundred and sixty and the  
21 months of January and February, nineteen hundred and sixty-  
22 one. The surtaxes imposed under section nine of chapter seven  
23 hundred and twenty-nine of the acts of nineteen hundred and  
24 forty-one shall apply to the taxes imposed by this section.

1 SECTION 2. There is hereby imposed, in addition to the taxes  
2 levied under subsection (b) of section five and subsection (c) of  
3 section five A of chapter sixty-two of the General Laws, upon  
4 income derived from professions, employments, trade or busi-  
5 ness, and all acts in amendment thereof and in addition thereto,  
6 and in addition to any surtaxes, an additional tax equal to one  
7 per cent of such income. All provisions of law relative to the  
8 assessment, payment, collection and abatement of the taxes im-  
9 posed under said chapter sixty-two shall apply to the additional  
10 taxes herein imposed. This section shall apply only to income  
11 received in the calendar years nineteen hundred and fifty-nine  
12 and nineteen hundred and sixty and the months of January and  
13 February, nineteen hundred and sixty-one. The surtaxes im-  
14 posed under section nine of chapter seven hundred and twenty-  
15 nine of the acts of nineteen hundred and forty-one shall apply  
16 to the taxes imposed by this section.

1 SECTION 3. There is hereby imposed in addition to the taxes  
2 levied under subsection (c) of section five of chapter sixty-two  
3 of the General Laws, upon the excess of gains over losses re-  
4 ceived by the taxpayer from purchases or sales of intangible  
5 personal property, whether or not said taxpayer is engaged in  
6 the business of dealing in such property, and all acts in amend-  
7 ment thereof and in addition thereto, and in addition to any  
8 surtaxes, an additional tax equal to three per cent of such in-  
9 come. All provisions of law relative to the assessment, payment,  
10 collection and abatement of the taxes imposed under said chap-  
11 ter sixty-two shall apply to the additional taxes herein imposed.  
12 This section shall apply only to income received in the calen-  
13 dar years nineteen hundred and fifty-nine and nineteen hundred  
14 and sixty and the months of January and February, nineteen  
15 hundred and sixty-one. The surtaxes imposed under section  
16 nine of chapter seven hundred and twenty-nine of the acts of  
17 nineteen hundred and forty-one shall apply to the taxes imposed  
18 by this section.

1 SECTION 4. There is hereby imposed, in addition to the taxes  
2 levied under the provisions of chapter sixty-two of the General  
3 Laws, and all acts in amendment thereof and in addition thereto,  
4 and taxes levied under the provisions of sections thirty to sixty,  
5 inclusive, of chapter sixty-three of the General Laws, and all

6 acts in amendment thereof and in addition thereto, an additional  
7 tax equal to twenty per cent of the taxes assessed under the pro-  
8 visions of said sections, acts and chapters in or on account of the  
9 calendar year nineteen hundred and sixty and the months of  
10 January and February, nineteen hundred and sixty-one, and  
11 all provisions of law relative to the assessment, payment, collec-  
12 tion and abatement of the said taxes shall apply to the taxes im-  
13 posed by this section. This additional tax shall apply also to  
14 taxes levied under sections one, two and three of this act.

1 SECTION 5. All property subject to a legacy and succession  
2 tax under the provisions of chapter sixty-five of the General  
3 Laws, and of any further amendments thereof or additions  
4 thereto, shall be subject to an additional tax of twenty per  
5 cent of all taxes imposed by said provisions with respect to  
6 property or interests therein passing or accruing upon the  
7 death of persons who died during the period beginning January  
8 first, nineteen hundred and sixty and ending February twenty-  
9 eighth, nineteen hundred and sixty-one. All provisions of law  
10 relative to the determination, certification, payment, collection  
11 and abatement of such legacy and succession taxes shall apply  
12 to the additional taxes imposed by this section.

1 SECTION 6. There is hereby imposed, in addition to the  
2 taxes levied under the provisions of chapter sixty-three A of  
3 the General Laws, and all acts in amendment thereof and in  
4 addition thereto, an additional tax equal to twenty per cent  
5 of the taxes assessed under the provisions of said chapter and  
6 acts in or on account of the calendar year nineteen hundred  
7 and sixty and the months of January and February, nineteen  
8 hundred and sixty-one, and all provisions of law relative to the  
9 assessment, payment, collection and abatement of the said taxes  
10 shall apply to the taxes imposed by this section.

1 SECTION 7. Notwithstanding the provisions of section two  
2 of chapter sixty-three of the General Laws, as most recently  
3 amended by section three of chapter five hundred and nine  
4 of the acts of nineteen hundred and forty-one, every bank  
5 taxed thereunder shall pay a tax assessed in the calendar year  
6 nineteen hundred and sixty and the months of January and

7 February, nineteen hundred and sixty-one, measured by its net  
8 income, as defined in section one of said chapter sixty-three at  
9 the rate assessed upon other financial corporations; provided,  
10 that such rate shall not be higher than the highest of the rates  
11 assessed upon mercantile and business corporations doing busi-  
12 ness in the commonwealth, and provided, further, that such rates  
13 shall not be higher than eight per cent. During the period that  
14 the provisions of this section are in effect, trust companies having  
15 a savings department shall not be subject to the excise im-  
16 posed by section eleven of said chapter sixty-three, nor to the  
17 requirements of sections eleven to sixteen, inclusive, of said  
18 chapter sixty-three.

1 SECTION 8. Notwithstanding the provisions of section twenty-  
2 two of chapter sixty-three of the General Laws, as most recently  
3 amended by section one of chapter three hundred and eighty-  
4 seven of the acts of nineteen hundred and forty-six and in lieu  
5 thereof, every domestic insurance company coming within the  
6 scope of the definition of a domestic company in section one of  
7 chapter one hundred and seventy-five of the General Laws, ex-  
8 cept life insurance companies with respect to business taxable  
9 under section twenty, and marine, or fire and marine, insurance  
10 companies with respect to business taxable under section twenty-  
11 nine A, shall pay for the years nineteen hundred and sixty and  
12 nineteen hundred and sixty-one, an excise of two per cent upon  
13 the gross premiums for all policies written or renewed, all addi-  
14 tional premiums charged, and all assessments made by such  
15 company on policyholders during the preceding calendar year,  
16 exclusive of reinsurance; but such premiums and assessments  
17 for policies written or renewed for insurance, exclusive of re-  
18 insurance, of property or interest in other states or countries  
19 where a tax is actually paid by such company, or its agents, shall  
20 not be so taxed.

1 SECTION 9. If any part, section or subsection of this act or  
2 the application thereof shall be held to be invalid or unconstitu-  
3 tional, such invalidity or unconstitutionality shall not be con-  
4 strued to affect the validity or constitutionality of any of the  
5 remaining provisions of said sections or the application of such  
6 provisions to persons or circumstances other than those as to  
7 which it is held invalid. It is hereby declared to be the legisla-

8 five intent that said sections would have been adopted had such  
9 invalid or unconstitutional provisions not been included therein.

1 SECTION 10. In addition to the excise tax imposed by chapter  
2 sixty-four C of the General Laws, and in addition to the ad-  
3 ditional excise tax imposed by section nine of chapter seven  
4 hundred and thirty-one of the acts of nineteen hundred and  
5 forty-five, there is hereby imposed a further additional excise tax  
6 of one mill for each cigarette sold, used, received as gift or gifts,  
7 or through exchange or barter in the commonwealth during the  
8 period beginning September first, nineteen hundred and fifty-  
9 nine and ending February twenty-eighth, nineteen hundred and  
10 sixty-one, the same to be levied and collected as provided in said  
11 chapter sixty-four C, and the provisions of said chapter shall  
12 apply to said further additional excise to the same extent as to  
13 the normal excise levied thereunder. All the provisions of said  
14 chapter sixty-four C relative to the collection, verification and  
15 administration of the tax thereunder imposed shall, in so far as  
16 pertinent, be applicable to the tax imposed by this act. All  
17 cigarette taxes paid in pursuance of this act and other statutes  
18 of the general or special laws shall conclusively be presumed to  
19 be a direct tax on the retail consumer, pre-collected for the pur-  
20 pose of convenience and facility only.

1 SECTION 11. There is hereby imposed an additional excise  
2 on the sale of alcoholic beverages and alcohol, other than malt  
3 beverages, for the period beginning July first, nineteen hundred  
4 and fifty-nine and ending February twenty-eighth, nineteen  
5 hundred and sixty-one, as follows:

6 For each wine gallon, or fractional part thereof, of still wine,  
7 other than cider containing more than three per cent but not  
8 more than six per cent of alcohol as aforesaid, including ver-  
9 mouth, at the rate of twenty cents per wine gallon.

10 For each wine gallon, or fractional part thereof, of all other  
11 alcoholic beverages containing twenty-four per cent or less of  
12 alcohol by volume at sixty degrees Fahrenheit, at the rate of  
13 forty-five cents per wine gallon.

14 For each wine gallon, or fractional part thereof, of all other  
15 alcoholic beverages containing more than twenty-four per  
16 cent but not more than fifty per cent of alcohol by volume at

17 sixty degrees Fahrenheit, at the rate of twenty-five cents per  
18 wine gallon.

19 For each proof gallon, or fractional part thereof, of all other  
20 alcoholic beverages containing more than fifty per cent of  
21 alcohol by volume at sixty degrees Fahrenheit or alcohol, at  
22 the rate of twenty-five cents per proof gallon.

- 17 sixy dozen Lithon, at the rate of twenty-five cents per  
18 one gallon.  
19 For each wood gallon, or fractional part thereof, of all other  
20 kinds, including those containing more than fifty per cent of  
21 water, by volume at sixty degrees Fahrenheit or alcohol at  
22 the rate of twenty-five cents per wood gallon.