
The Commonwealth of MassachusettsEXECUTIVE DEPARTMENT
STATE HOUSE, BOSTON

April 5, 1960.

To the Honorable Senate and House of Representatives.

In my Annual Message of January 6, 1960 I pointed out that Massachusetts is one of the few states that have not exempted social security benefits from state income tax laws, and I strongly recommend the exemption of such income from taxation.

The Supreme Judicial Court has recently held that the taxation of such income in the past has been illegal and that the amounts of such taxes paid should therefore be refunded.

However, by statute the recovery of such taxes by those who have paid them is limited to three years. It seems to me that such a technicality should not be used to prevent those Massachusetts residents from recovering the money that the Commonwealth illegally received from them. The statute of limitations can be suspended for this purpose by the enactment of appropriate legislation.

There are, however, several problems involved in the refunding of such taxes which will require study before a final determination is made of the methods and procedures to be established in accomplishing the refunds. These problems include, but are not limited to, a determination of whether or not to refund to heirs of those taxpayers who have since died, and what provisions shall be made for the refunding of taxes paid in those years when records may not be available.

I therefore recommend that a recess commission be established to investigate and study the feasibility of suspending the statute of limitations for the refunding of such taxes and the problems involved therein, and to report to the General Court the results

of its study and its recommendation, if any, together with drafts of legislation necessary to carry its recommendations into effect by filing the same with the clerk of the house of representatives not later than the third Wednesday of December 1960.

Respectfully submitted,

FOSTER FURCOLO,

Governor of the Commonwealth.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Sixty.

RESOLVE PROVIDING FOR A STUDY BY A SPECIAL UNPAID COMMISSION
RELATIVE TO EXEMPTION OF SOCIAL SECURITY BENEFITS FROM
TAXATION.

1 *Resolved*, That an unpaid special commission to consist of
2 one member of the Senate to be designated by the president
3 thereof, one member of the House of Representatives to be
4 designated by the Speaker thereof, the Commissioner of Cor-
5 porations and Taxation and two persons to be appointed by
6 the Governor is hereby established for the purpose of inves-
7 tigating and studying the feasibility of suspending the statute
8 of limitations for the refunding of income taxes formerly paid
9 on social security benefits, of the problems involved therein,
10 and procedures, if any, to be adopted for processing refunds.
11 Said Commission shall be provided with quarters in the
12 State House or elsewhere, may hold public hearings and may
13 expend for clerical and other expenses such sums as may be
14 appropriated therefor. Said Commission shall report to the
15 General Court the results of its study and its recommendations,
16 if any, together with drafts of any legislation necessary to
17 carry such recommendations into effect, by filing the same
18 with the clerk of the House of Representatives not later than
19 the third Wednesday of December in the current year.

