

SENATE No. 264

To accompany the petition of J. Lothrop Motley and another relative to the determining of gains or losses on sales of shares in Massachusetts corporations received as stock dividends. Taxation.

The Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Twenty-Two.

AN ACT

Relative to the Determination of Gains or Losses upon Sales of Shares in Massachusetts Corporations received as a Stock Dividend, and to facilitate the Administration of the Income Tax Law.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

- 1 Subsection (c) of section five of chapter sixty-
- 2 two of the General Laws, as amended by chapter
- 3 three hundred and seventy-six of the acts of nine-
- 4 teen hundred and twenty-one, is hereby amended
- 5 by adding at the end thereof the following:—
- 6 Provided that in the event of a sale of shares in a
- 7 Massachusetts corporation received as a dividend
- 8 from the corporation issuing the same no taxable
- 9 gain or less shall be recognized or determined

10 unless such sale shall be for a price or value greater
11 or less than the fair market value of such shares
12 when so received, — so that the said subsection
13 (c) will read as follows: — *Subsection (c)*. The
14 excess of the gains over the losses received by the
15 taxpayer from purchases or sales of intangible
16 personal property, whether or not said taxpayer
17 is engaged in the business of dealing in such prop-
18 erty, shall be taxed at the rate of three per cent
19 per annum. Any trustee or other fiduciary may
20 charge any taxes paid under this paragraph
21 against principal in any accounting which he
22 makes as such trustee. Provided that in the
23 event of a sale of shares in a Massachusetts cor-
24 poration received as a dividend from the corpora-
25 tion issuing the same no taxable gain or loss shall
26 be recognized or determined unless such sale shall
27 be for a price or value greater or less than the fair
28 market value of such shares when so received.

AN ACT

