

SENATE . . . No. 446

The Commonwealth of Massachusetts.

SENATE, April 26, 1922.

The committee on Taxation, to which was referred the petition (with accompanying bill, Senate, No. 265) of Thomas W. Pelham and another for the encouragement of the organization or reorganization of businesses and undertakings as Massachusetts corporations, reports the accompanying bill (Senate, No. 446).

For the committee,

WESLEY E. MONK.

The Commonwealth of Massachusetts.

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

AN ACT

To encourage the Organization or Reorganization of
Businesses and Undertakings as Massachusetts
Corporations.

*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 five of chapter sixty-two of the General
2 Laws, as amended by chapter three hundred and
3 seventy-six of the acts of nineteen hundred and
4 twenty-one, is hereby further amended by insert-
5 ing, at the end of subsection (c), the following: —
6 In any exchange of shares upon the reorganiza-
7 tion of one or more corporations or of one or more
8 partnerships, associations or trusts, the beneficial
9 interest in which is represented by transferable
10 shares, effected after January first in the year
11 nineteen hundred and twenty-two, in which the
12 new shares received in exchange for the shares
13 surrendered represent the same interest in the
14 same assets formerly represented by the old shares,
15 no gain or loss shall be deemed to be received from
16 the transaction until a sale or further exchange of

17 such new shares is made, — so that subsection (c)
18 shall read as follows:—

19 (c) The excess of the gains over the losses received
20 by the taxpayer from purchases or sales of intan-
21 gible personal property, whether or not said tax-
22 payer is engaged in the business of dealing in such
23 property, shall be taxed at the rate of three per
24 cent per annum. Any trustee or other fiduciary
25 may charge any taxes paid under this paragraph
26 against principal in any accounting which he
27 makes as such trustee. In any exchange of shares
28 upon the reorganization of one or more corpora-
29 tions or of one or more partnerships, associa-
30 tions or trusts, the beneficial interest in which
31 is represented by transferable shares, effected
32 after January first in the year nineteen hundred
33 and twenty-two, in which the new shares received
34 in exchange for the shares surrendered represent
35 the same interest in the same assets formerly
36 represented by the old shares, no gain or loss shall
37 be deemed to be received from the transaction
38 until a sale or further exchange of such new shares
39 is made.

