

SENATE No. 312

The Commonwealth of Massachusetts.

SENATE, Mar. 6, 1925.

The committee on Taxation to whom was referred so much of the recommendations of the Commissioner of Corporations (House, No. 29) as relates thereto (see House, No. 40), report the accompanying bill (Senate, No. 312).

For the committee,

ERLAND F. FISH.

The Commonwealth of Massachusetts.

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

An Act relative to the Definition of " net income " as Applied to the Taxation of Foreign and Domestic Business Corporations.

1 *Whereas*, The deferred operations of this act
2 would cause substantial inconvenience inasmuch as
3 it applies to taxes levied in the current year, there-
4 fore it is hereby declared to be an emergency law,
5 necessary for the immediate preservation of the
6 public 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. Paragraph numbered five of section
2 thirty of chapter sixty-three of the General Laws,
3 as amended by chapter three hundred and two of
4 the acts of nineteen hundred and twenty-two, is
5 hereby further amended by striking out, in the
6 fifth, sixth and seventh lines of said paragraph, the
7 words " of nineteen hundred and eighteen or the
8 federal revenue act of nineteen hundred and twenty-
9 one, whichever of said acts may be applicable " and
10 inserting in place thereof the words:—or acts
11 applicable to the period, but without deduction for
12 net loss,—so as to read as follows:—5. " Net
13 income," except as otherwise provided in sections
14 thirty-four and thirty-nine, the net income for the
15 taxable year as required to be returned by the cor-

16 poration to the federal government under the
17 federal revenue act or acts applicable to the period,
18 but without deduction for net loss, and, in the case
19 of a domestic business corporation, such interest
20 and dividends, not so required to be returned as
21 net income, as would be taxable if received by an
22 inhabitant of this commonwealth; less, both in the
23 case of a domestic business corporation and of a
24 foreign corporation, interest, so required to be re-
25 turned, which is received upon bonds, notes and
26 certificates of indebtedness of the United States.

1 SECTION 2. This act shall take effect as of April
2 first, nineteen hundred and twenty-five. It shall
3 apply to all taxes which are assessed with respect
4 to income normally required to be returned during
5 the first ten days of April of nineteen hundred and
6 twenty-five and thereafter.

