

At the request of Mr. Seamans of Salem, the petition of the Massachusetts Society of Certified Public Accountants, Inc., relative to the definition of "net income" as applied to the taxation of banks and foreign and domestic business corporations, was taken from the files of the preceding year. Taxation. Jan. 17.

The Commonwealth of Massachusetts

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

An Act relative to the Definition of "Net Income" as applied to the Taxation of Banks and Foreign and Domestic Business 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 1. Section one of chapter sixty-three of
2 the General Laws, as inserted by section one of chapter
3 three hundred and forty-three of the acts of nineteen
4 hundred and twenty-five, is hereby amended by
5 striking out the paragraph defining "Net Income"
6 and inserting in place thereof the following:—

7 "Net Income", The net income for the taxable
8 year as required to be returned by the bank to the
9 federal government under the federal revenue act
10 applicable for the period, adding thereto all interest
11 and dividends not so required to be returned as net
12 income except dividends on shares of stock of corpora-
13 tions organized under the laws of the common-
14 wealth and dividends in liquidation paid from capital.

1 SECTION 2. Section thirty of said chapter sixty-
2 three, as amended by chapter three hundred and two
3 of the acts of nineteen hundred and twenty-two, by
4 section three of chapter two hundred and fifty-four
5 and section five of chapter four hundred and thirty-
6 eight, both of the acts of nineteen hundred and
7 twenty-three, and by section two of chapter twenty-
8 six of the acts of nineteen hundred and twenty-four,
9 and by section one of chapter two hundred and sixty-
10 five and section one A of chapter three hundred and
11 forty-three both of the acts of nineteen hundred and
12 twenty-five, is hereby further amended by striking
13 out the paragraph numbered five and inserting in
14 place thereof the following:—

15 5. "Net Income", except as otherwise provided in
16 sections thirty-four and thirty-nine, the net income
17 for the taxable year as required to be returned by the
18 corporation to the federal government under the
19 federal revenue act applicable for the period, adding
20 thereto all interest and dividends not so required to be
21 returned as net income except dividends on shares of
22 stock of corporations organized under the laws of the
23 commonwealth and dividends in liquidation paid
24 from capital.

1 SECTION 3. This act shall become effective Janu-
2 ary first, nineteen hundred and twenty-eight.

