

By Mr. Dukakis of Brookline, petition of the Americans for Democratic Action relative to the taxation of income derived from real estate. Taxation.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Sixty-Three.

AN ACT RELATIVE TO THE TAXATION OF INCOME DERIVED FROM
REAL ESTATE.

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. Subsection (a) of section 1 of chapter 62 of the
2 General Laws is hereby amended by striking out paragraph
3 Third.

1 SECTION 2. Section 6 of said chapter 62, as most recently
2 amended by section 5 of chapter 677 of the acts of 1957, is
3 hereby further amended by striking out the first paragraph and
4 inserting in place thereof the following paragraph:—

5 The business income taxable under subsection (b) of section
6 five and subsection (c) of section five A shall be the net income
7 from the profession, employment, trade or business **including**
8 **the rental of real estate** and from transactions entered into
9 for profit, except transactions in intangible personal property.
10 In computing net income the following deductions shall be
11 allowed:—

1 SECTION 3. Section 6 of said chapter 62 is hereby amended
2 by adding at the end thereof the following clause:— (j) gross
3 receipts from the rental of real estate to the amount of fifteen
4 hundred dollars.

1 SECTION 4. Section 8 of said chapter 62 is hereby amended
2 by inserting in the first line of clause (2), as appearing in sec-
3 tion 7 of chapter 677 of the acts of 1957, after the words “rentals

4 of real estate" the words: — **to an amount not exceeding fif-**
5 **teen hundred dollars**, — so as to read as follows: — (2) All
6 income from rentals of real estate **to an amount not exceed-**
7 **ing fifteen hundred dollars** including reasonable amounts
8 charged on account of services, facilities or utilities furnished
9 tenants of said real estate, provided, that said services, facilities
10 or utilities are related directly to the business of renting real
11 estate, or gains from the sale or exchange of real estate which is
12 used as the principal residence of the taxpayer.

1 SECTION 5. Section 22 of said chapter 62 is hereby amended
2 by striking out the first paragraph of said section, as most re-
3 cently amended by section 2 of chapter 611 of the acts of 1954,
4 and inserting in place thereof the following paragraph: —

5 Every individual inhabitant of the commonwealth, including
6 every partnership, association or trust, whose annual income
7 from all sources exceeds two thousand dollars shall annually
8 make a return of his entire income, except income derived (a)
9 from dividends exempt from taxation under section one; (b)
10 from interest upon bonds or other obligations of the United
11 States; (c) from interest upon such bonds, notes and certificates
12 of indebtedness of the commonwealth and political subdivisions
13 thereof as are exempt from taxation under clause twenty-fifth of
14 section five of chapter fifty-nine; and (d) from wages, salaries
15 or compensation exempted from taxation by subsection (b) of
16 section five. Every other individual inhabitant, including every
17 partnership, association or trust, who receives income taxable
18 under section one or subsection (a) or (c) of section five shall
19 make an annual return of such taxable income.

1 SECTION 6. This act shall take effect on January first, nine-
2 teen hundred and sixty-four and shall apply to income received
3 during the calendar year nineteen hundred and sixty-four and
4 thereafter.