

# HOUSE . . . . . No. 1284

By Mr. Feeney of Boston, petition of John J. Roddy that common trust funds be considered as partnerships for purposes of the income tax. Taxation.

## **The Commonwealth of Massachusetts**

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

AN ACT TO TREAT COMMON TRUST FUNDS AS PARTNERSHIPS FOR PURPOSES OF INCOME TAXATION.

*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 (e) of Section 17 of Chapter 62 of the General Laws  
2 as most recently amended by Chapter 912, Section 1 of the acts of  
3 1973 is hereby further amended by striking out subsection (e) and  
4 inserting in place the following:—

5 (e) A common Trust Fund which qualifies as such under section  
6 five hundred and eighty-four of the code shall be treated as a  
7 partnership for the purposes of taxation under this Chapter. Such  
8 partnership shall compute all items of income, loss, deduction or  
9 credit without reference to any item of income, loss, deduction or  
10 credit of any participating account except that the provisions of  
11 section ten shall be applicable to such partnership.

1 SECTION 2. This act shall apply to taxable years ending on  
2 and after December thirty-first, nineteen hundred and seventy-  
3 eight.

By Mr. Ferry of Boston, petition of John A. Leary that certain trust funds be converted as partnership for purposes of the estate tax taxation.

The Commissioner of Internal Revenue

In the Year One Thousand Nine Hundred and Twenty-Six

AN ACT TO TREAT CERTAIN TRUST FUNDS AS PARTNERSHIPS FOR PURPOSES OF THE ESTATE TAXATION

Enacted by the House and Senate of the United States of America: That the Commissioner of Internal Revenue shall be authorized to use the following rules in determining the estate tax liability of a decedent:

1. Subsection (b) of Section 17 of Chapter 11 of the Internal Revenue Code shall apply to trusts of which the decedent was a settlor or testator.
2. In most trusts created by Chapter 17 of the Internal Revenue Code, the trust shall be treated as a partnership for estate tax purposes.
3. 1921 a trust created by Chapter 17 of the Internal Revenue Code shall be treated as a partnership for estate tax purposes.
4. Nothing in this section shall be construed to require a trust to be treated as a partnership for estate tax purposes.
5. The burden and expense of the proof shall be upon the Commissioner of Internal Revenue to establish that a trust is not a partnership for estate tax purposes.
6. Partnership shall exist for the purposes of this section if the trust is treated as a partnership for estate tax purposes.
7. Nothing in this section shall be construed to require a trust to be treated as a partnership for estate tax purposes.
8. Nothing in this section shall be construed to require a trust to be treated as a partnership for estate tax purposes.
9. Nothing in this section shall be construed to require a trust to be treated as a partnership for estate tax purposes.
10. Nothing in this section shall be construed to require a trust to be treated as a partnership for estate tax purposes.
11. Nothing in this section shall be construed to require a trust to be treated as a partnership for estate tax purposes.

SECTION 5. This act shall apply to trusts created on or after the date of the enactment of this act.