

HOUSE No. 3375

By Mr. Creedon of Brockton, petition of Michael C. Creedon and another relative to the taxation of certain banking institutions. Taxation.

The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO THE TAXATION OF CERTAIN BANKING INSTITUTIONS.

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. The first paragraph of section 11 of chapter 63 of
2 the General Laws, as appearing in section 44 of chapter 684 of the
3 acts of 1975, is hereby amended by inserting after the word "sev-
4 enty", in line 3, the words: — "every state credit union as defined in
5 chapter one hundred and seventy-one, every federal credit union".

1 SECTION 2. Said section 11 of said chapter 63 is hereby
2 further amended by striking out the last paragraph, as appearing in
3 said section 44 of said chapter 684, and inserting in place thereof
4 the following paragraph: —

5 For the purpose of this section, "net operating income" shall
6 mean gross income from all sources, without exclusion, for the
7 taxable year, less (i) operating expenses, (ii) net losses upon assets
8 sold, exchanged or charged off as uncollectible during the taxable
9 year, and (iii) minimum additions during the taxable years to its
10 guaranty fund or surplus required by law or the appropriate federal
11 and state supervisory authorities; and "taxable year" shall mean
12 either any fiscal or calendar year or period for which the bank is
13 required to make a return to the federal government, or any fiscal

14 or calendar year or period for which the credit union is required to
15 make a return to the commissioner. Federal and state taxes paid
16 or accrued during the taxable year shall not be deductible in
17 computing "net operating income".