

By Mr. Cohen of Andover, petition of Gerald M. Cohen relative to the taxation of unearned income. Taxation.

The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO THE TAXATION OF UNEARNED INCOME.

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. Chapter 62 of the General Laws is hereby
2 amended by striking jout section 4, as most recently amended by
3 section 41 of chapter 684 of the acts of 1975, and inserting in place
4 thereof the following section:—

5 *Section 4.* Residents shall be taxed on their taxable income,
6 non-residents shall be taxed, to the extent specified in section five
7 A in their taxable income, and corporate trusts shall be taxed to the
8 extent specified in section eight on their taxable income, as follows:

9 (a) Part A taxable income shall be taxed at the rate of five
10 percent.

11 (b) Part B taxable income shall be taxed at the rate of ten
12 percent.

1 SECTION 2. Paragraph (a) of section 5 of said chapter 62, as
2 appearing in section 2 of chapter 723 of the acts of 1973, is hereby
3 amended by striking out the first two sentences and inserting place
4 thereof the following sentences:—

5 (a) Notwithstanding the provisions of section 4 Part A taxable
6 income shall be exempt from all taxes imposed by this chapter if
7 the total income of the taxable year does not exceed twelve
8 thousand dollars for a single individual or fifteen thousand
9 dollars in the aggregate for a husband and wife. Part B taxable
10 income shall be exempt from all taxes imposed by this chapter if
11 the total income of the taxable year does not exceed three thousand

12 dollars for a single individual or five thousand dollars in the
13 aggregate for a husband and wife. No tax shall be imposed under
14 this chapter on Part B taxable income which shall reduce such total
15 income below three thousand dollars and five thousand dollars
16 respectively.