

By Mr. Keating of Sharon, petition of Michael W. Morrissey and William R. Keating for legislation to conform Massachusetts income tax to the federal income tax relative to income tax deductions allowable for contributions to "HR 10" and individual retirement accounts. Taxation.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-Two.

AN ACT CONFORMING THE MASSACHUSETTS INCOME TAX TO THE FEDERAL INCOME TAX WITH RESPECT TO INCOME TAX DEDUCTIONS ALLOWABLE FOR CONTRIBUTIONS TO HR 10 AND INDIVIDUAL RETIREMENT ACCOUNTS.

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 (d) of Section 2 of Chapter 62 of the
2 General Laws, as amended by section 4 of Chapter 599 of the acts
3 of 1977, is hereby amended (i) by adding after the word "Code" and
4 before the word "provided" the words: — "as amended by the
5 Revenue Act of 1978, and less any additional deductions allowed
6 for individual qualified retirement contributions and contributions
7 to H.R. 10 plans by sections 219 and 404 (e) (1) and (2) of the code
8 as amended by the Economic Tax Recovery Act of 1981, and (ii) by
9 striking therefrom paragraphs (7), (8) and (9) and renumbering
10 paragraphs (10) and (11) as paragraphs (7) and (8) so that subsection
11 (d) will be as follows: —

12 (d) Part B adjusted gross income shall be the Part B gross income
13 less the deductions allowable under sections sixty-two and four
14 hundred and four, without regard to section two hundred and
15 sixty-five, of the Code, as amended by the Revenue Act of 1978,
16 and less any additional deductions allowed for individual qualified
17 retirement contributions and contributions to H.R. 10 plans by
18 sections 219 and 404(e) (1) and (2) of the code as amended by the
19 Economic Tax Recovery Act of 1981, provided, however, the
20 following deductions shall not be allowed: —

21 (1) The deduction for long-term capital gains allowed by section
22 one thousand two hundred and two of the Code.

23 (2) The deductions allowed to life tenants and income beneficia-
24 raries by paragraph six of section sixty-two of the Code insofar as
25 such deductions are allowed to a trust or estate subject to taxation
26 under this chapter.

27 (3) The deduction for moving expenses allowed by section two
28 hundred and seventeen of the Code.

29 (4) Any deduction allowed by Subchapter S of the Code.

30 (5) Any deduction relating or allocable to any income not in-
31 cluded in Massachusetts gross income or a porportionate part of
32 any deduction which is in part so relating or allocable.

33 (6) Any net operating loss deduction allowed by section one
34 hundred and seventy-two of the Code.

35 (7) The deduction allowed by section four hundred and two (c)
36 (3) of the Code relating to the ordinary income portion of a lump
37 sum distribution.

38 (8) The deduction allowed by section one hundred and sixty-five
39 of the Code relating to forfeitures because of premature with-
40 drawal of funds to the extent that the income represented by such
41 forfeiture was not included in Massachusetts gross income.

1 SECTION 2. This act shall be effective with respect to tax years
2 beginning on or after January first, nineteen hundred and eighty-
3 two.