

SENATE No. 1752

By Mr. Olver, a petition (accompanied by bill, Senate, No. 1752) of John W. Olver, William P. Nagle, Jr., the National Federation of Independent Businesses, by Roger D. Donohue, director, and the Associated Industries of Massachusetts, by K. Heinz Muehlmann, for legislation relative to the taxation of business corporations. Taxation.

The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO THE TAXATION OF BUSINESS CORPORATIONS.

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. Subparagraph (b) of paragraph 5 of section 30
2 of Chapter 63 of the General Laws is hereby amended by strik-
3 ing out the text of clauses (ii) and (iii) and inserting in place
4 thereof the following: —

5 “(ii) losses sustained in other taxable years, except that fifty
6 percent of net operating loss, as defined in section 172 of the
7 Federal Internal Revenue Code, as amended and in effect for
8 the taxable year, sustained in the current taxable year which
9 exceeds the average gross income for the immediately
10 preceding five taxable years; provided, however, that such
11 amount of excess loss may be carried forward for not more
12 than five years and may not be carried back.”

13 “(iii) losses sustained in other taxable years, except the fif-
14 ty percent of net operating loss, as defined in section 172 of
15 the Federal Internal Revenue Code, as amended and in effect
16 for the taxable year, sustained in taxable years succeeding
17 current taxable year which exceeds the average gross income
18 for the immediately preceding five taxable years; provided,
19 however, that such amount of excess loss may be carried for-
20 ward for not more than five years and may not be carried
21 back.”

22 “(iv) taxes on or measured by income, franchise taxes
23 measured by net income, franchise taxes for the privilege of

24 doing business and capital stock taxes imposed by any state.
25 A deduction shall be allowed for that portion of wages or
26 salaries paid or incurred for the taxable year equal to the
27 amount of the credit allowable for the taxable year under sec-
28 tion forty-four B of the Federal Internal Revenue Code and
29 otherwise disallowed under section two hundred eighty C of
30 said Code."

1 SECTION 2. The provisions of (ii) of this act shall apply to
2 taxable years beginning on July 1, 1984 and thereafter; the pro-
3 visions of (iii) of this act shall apply to taxable years begin-
4 ning on July 1, 1985 and thereafter.