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By Mr. Webber, a petition of Peter C. Webber for legislation to permit the carry-over of losses under the corporation excise law. Taxation.

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**The Commonwealth of Massachusetts**

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

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**AN ACT PERMITTING CARRYOVER OF LOSSES UNDER THE CORPORATION EXCISE LAW.**

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

- 1 Subparagraph (b) of paragraph 5 of section 39 of chapter
- 2 63 of the General Laws is hereby amended by striking out
- 3 clause (ii) and inserting in place thereof the following: —
- 4 (ii) losses sustained in other taxable years, except that for
- 5 years ending after December 31, 1982, there shall be allowed
- 6 as a deduction so much of the loss as determined under sec-
- 7 tion 172 of the Internal Revenue Code as amended and in ef-
- 8 fect for the taxable year, computed as if the taxpayer had
- 9 made the election under section 172 (b) (3) (C) whether or not
- 10 such election was in fact made, to the extent that such losses
- 11 were allocable to Massachusetts under the provisions of sec-
- 12 tion 38 of this chapter as in effect for the year in which such
- 13 losses were sustained; provided, however, that such loss may
- 14 only be carried forward and may not be carried back; and ex-
- 15 cept further that there shall be allowed as a deduction, in the
- 16 case of a corporation fifty percent or more of whose voting
- 17 stock is not owned by any other corporation, whether or not
- 18 such owning corporation is taxable in the commonwealth, for
- 19 its first five consecutive taxable years measured from the date
- 20 of its organization whether or not organized under the laws
- 21 of the commonwealth, so much of the loss, as determined
- 22 under section 172 of the Federal Internal Revenue Code, as
- 23 amended and in effect for the taxable year, as is represented
- 24 by net operating loss carryovers for taxable years ending
- 25 December thirty-first, nineteen hundred and seventy-three and
- 26 thereafter; and provided further, that in the case of a foreign
- 27 corporation losses incurred before such corporation becomes
- 28 subject to tax liability in this commonwealth shall not be allow-

