

By Mr. Olver, a petition (accompanied by bill, Senate, No. 1540) of John W. Olver, William R. Keating, William B. Golden and Eleanor Myerson for legislation to adjust the interest rate paid and received on late tax payments. Taxation.

**The Commonwealth of Massachusetts**

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

AN ACT ADJUSTING THE INTEREST RATE PAID AND RECEIVED ON LATE TAX PAYMENTS.

*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. Section 14 of chapter 62B of the General Laws,  
2 as appearing in the 1986 Official Edition, is hereby amended by  
3 striking out paragraph (a) and inserting in place thereof the  
4 following paragraph: —

5 In the case of any underpayment of estimated tax, except as  
6 provided in paragraph (b), there shall be added to the tax due  
7 under chapter sixty-two, for the taxable year, an amount deter-  
8 mined at the underpayment rate as is established under section  
9 thirty-two of chapter sixty-two C upon the amount of underpay-  
10 ment for the period of underpayment.

1 SECTION 2. Section 32 of chapter 62C, as appearing in the  
2 1986 Official Edition, is hereby amended by striking out the last  
3 paragraph and inserting in place thereof the following  
4 paragraph: —

5 If any amount of tax is not paid to the commissioner on or  
6 before its statutory due date, there shall be added to, and become  
7 a part of, the tax interest at the underpayment rate as is estab-  
8 lished by section six thousand six hundred twenty-one of the Code  
9 from the said date to the date that such tax is paid.

1 SECTION 3. Section 40 of chapter 62C, as appearing in the  
2 1986 Official Edition, is hereby amended by striking out the first  
3 sentence and inserting in place thereof the following sentence: —  
4 If any refund of any tax is made pursuant to sections thirty-six,  
5 thirty-six A, thirty-seven or thirty-nine of this chapter, or sections  
6 twenty-seven or twenty-seven A of chapter sixty-five, or section  
7 six of chapter sixty-five A, the state treasurer shall repay to the  
8 taxpayer the amount of such refund with interest thereon at the  
9 overpayment rate as is established by section six thousand six  
10 hundred twenty-one of the Code from the date of overpayment  
11 to a date, to be determined by the commissioner, preceding the  
12 date of the refund check by not more than thirty days, whether  
13 or not such refund check is accepted by the taxpayer after tender  
14 of such check to the taxpayer.

1 SECTION 4. Paragraph (a) of section 6 of chapter 63B of the  
2 General Laws, as appearing in the 1986 Official Edition, is hereby  
3 amended by striking out the first sentence, and inserting in place  
4 thereof the following sentence: — In the case of any underpay-  
5 ment of estimated tax by a corporation, except as provided in  
6 paragraph (b), there shall be added to the taxes due under chap-  
7 ter sixty-three, or any act in lieu thereof, and under any act in  
8 addition thereto, for the taxable year an amount determined at  
9 the underpayment rate as is established under section thirty-two  
10 of chapter sixty-two C upon the amount of underpayment for the  
11 period of underpayment.

1 SECTION 5. This Act shall take effect on July 1, 1989.