

By Mrs. Holland of Longmeadow, petition of Iris K. Holland and other members of the House for legislation to provide for an income tax deduction for persons establishing a homeowners fund account. Taxation.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety.

AN ACT PROVIDING FOR INCOME TAX DEDUCTION FOR A HOMEOWNER FUND ACCOUNT.

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 167D of the General Laws as appearing
2 in the 1988 Official Edition is hereby amended by inserting after
3 section 35 the following new section: —

4 Section 36. All banks, as defined in Section 1 of Chapter 167
5 of the General Laws, may open and receive depositions for
6 Homeowners Fund Account. A Homeowners Fund Account shall
7 be established, managed, and terminated in accordance with a
8 written agreement signed by the contributor, regulations adopted
9 by the Commissioner and this section.

10 Regulations adopted by the Commissioner shall implement and
11 be consistent with the following:

12 a.) An account shall be opened for the benefit of first time home
13 purchasers only.

14 b.) No funds shall be paid out of an account except upon the
15 notification by a bank or a lending institution that the contributor
16 is purchasing a first home.

17 c.) The Homeowners Fund Account shall be distributed to the
18 contributor no later than one hundred and twenty months after
19 the date on which the first contribution is made to the account.

20 d.) Said account must be created on or before December thirty-
21 first, nineteen hundred and ninety-one.

22 e.) When an account is terminated, the remaining assets of the

23 account, including undistributed interest and other accruals, shall
24 be paid out to the contributor.

25 For the purpose of this section the word "contributor" shall
26 mean the individual or individuals who establish an account and
27 make contributions to it.

1 SECTION 2. Section 1 of Chapter 62 of the General Laws as
2 appearing in the 1988 Official Edition is hereby amended by
3 inserting after subsection (m) the following new subsection: —

4 (n) "Homeowners Fund Account" — shall mean an account
5 created and organized in the Commonwealth for the exclusive
6 benefit of an individual, or in the case of a married individual for
7 the exclusive benefit of the individual and his spouse jointly, for
8 the purpose of purchasing a home.

1 SECTION 3. Part (a)(2) of Section 2 of Chapter 62 of the
2 General Laws as appearing in the 1988 Official Edition is hereby
3 amended by adding after paragraph (H) the following new
4 paragraph: —

5 (I) Up to \$5000 by each single taxpayer or married taxpayers
6 whether they file joint or separate returns, which is deposited into
7 a Homeowners Fund Account pursuant to new section thirty-six
8 of chapter one hundred sixty-seven D.

1 SECTION 4. Part (a)(1) of Section 2 of Chapter 62 of the
2 General Laws as appearing in the 1988 Official Edition is hereby
3 amended by adding after paragraph (I) the following new
4 paragraph: —

5 (I) Payments of any kind made from a terminated Home-
6 owners Fund Account under section thirty-six of chapter one
7 hundred sixty-seven D.