

HOUSE No. 136

Bill accompanying the second recommendation of the Tax Commissioner and Commissioner of Corporations (see House, No. 134). Taxation. January 9.

The Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Twenty.

AN ACT

Relative to the Taxation of Incomes.

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 (c) of section five of chapter
2 two hundred and sixty-nine of the General Acts of nine-
3 teen hundred and sixteen is hereby amended by striking
4 out the word "or", in the second line, and inserting a
5 comma in place thereof, and by inserting after the word
6 "sales", in said line, the words: — or other dispositions,
7 — so as to read as follows: — (c) The excess of the gains
8 over the losses received by the taxpayer from purchases,
9 sales or other dispositions of intangible personal property,
10 whether or not the said taxpayer is engaged in the busi-
11 ness of dealing in such property, shall be taxed at the
12 rate of three per cent per annum: *provided*, that in the
13 case of intangible personal property held by trustees or

14 other fiduciaries, the said excess shall be determined and
15 the tax imposed by this section shall be assessed by the
16 tax commissioner or income tax assessor and the tax shall
17 be paid, at the time when such trust is terminated, but
18 such trustee or other fiduciary may at his option include
19 the said excess in any return of income made prior to the
20 termination of the trust, and the tax shall be assessed
21 and paid as of the year in which the return is made. In
22 the case of trusts that continue for more than five years,
23 the said excess, if not previously returned, shall be in-
24 cluded in a return of taxable income at least in every
25 fifth year, and the tax shall be assessed and paid as of
26 the year in which the return is made. Any such trustee
27 or other fiduciary may charge any taxes paid under this
28 paragraph against principal in any accounting which he
29 makes as such trustee.

1 SECTION 2. This act shall take effect upon its passage
2 and shall apply to all income taxes assessed as of the year
3 nineteen hundred and twenty and subsequent years,
4 whenever the same shall be assessed.

