

SENATE No. 10.

To accompany the petition of James A. Stiles for legislation relative to penalties imposed upon corporations for failure to make certain returns. Taxation.

Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Eight.

AN ACT

Relative to Penalties Imposed Upon Corporations for Failure to Make Certain Returns.

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 fifty-five of chapter fourteen of the Re-
2 vised Laws is hereby amended by inserting after
3 the word "forfeit," in the twenty-seventh line, the
4 words:— such sum not greater than,— and by in-
5 serting after the word "stock," in the twenty-
6 eighth line, the words:— which the court may deem
7 just and equitable,— so as to read as follows:—
8 *Section 55.* A corporation or agent neglecting
9 to make the returns required by section twenty-four
10 shall forfeit fifty dollars for every day during

11 which such neglect continues. A corporation, com-
12 pany, association or partnership which fails to
13 make the return required by section thirty-two shall
14 forfeit twenty-five dollars. If it neglects to make
15 such return for ten days after notice thereof, ad-
16 dressed to it, has been deposited in the post office,
17 postage prepaid, it shall further forfeit five hun-
18 dred dollars and upon an information by the at-
19 torney general at the relation of the commissioner
20 of corporations it may be restrained from the fur-
21 ther transaction of its business in this Common-
22 wealth until it has made such return; but such pen-
23 alties shall not be incurred if it is proved that the
24 return was duly made and deposited in the post
25 office, postage prepaid, properly directed to the tax
26 commissioner, and that there was no neglect. If
27 any return required by section thirty-two contains
28 a false statement which is known, or by the exercise
29 of reasonable care might have been known, to the
30 agent or officers making it, to be false, such com-
31 pany or agent shall be liable for the amount of tax
32 thereby lost to the Commonwealth and, in addition,
33 to a penalty of not less than five hundred nor more
34 than five thousand dollars.

35 Any corporation, company, co-partnership or as-
36 sociation liable to taxation under the provisions of
37 sections thirty-five, thirty-six, forty, forty-one,
38 forty-eight to fifty-one, inclusive, and fifty-three
39 neglecting to make the returns required by this
40 chapter, or refusing or neglecting, when required,
41 to submit to the examinations provided for therein
42 shall forfeit such sum not greater than two per cent
43 upon the par value of its capital stock which the
44 court may deem just and equitable. A guardian,

45 executor, administrator, trustee or partnership
46 neglecting to make the returns required by section
47 eight shall forfeit one hundred dollars. Such pen-
48 alties may be recovered in an action of tort to be
49 brought by the treasurer and receiver general, in
50 the name of the Commonwealth either in the county
51 of Suffolk or in the county in which the corporation
52 is located.

