

SENATE No. 262

To accompany the petition of George L. Barnes for legislation relative to a tax on incomes. Taxation.

The Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Eleven.

AN ACT

Relative to an Income Tax.

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 four of Part I of chapter
2 four hundred and ninety of the acts of the year
3 nineteen hundred and nine is hereby amended by
4 striking out the fourth paragraph thereof and
5 inserting in place thereof the following:—
6 Fourth, the income from an annuity and the ex-
7 cess above two thousand dollars of all other income,
8 except that derived from property subject to tax-
9 ation, accruing to the person to be taxed during the
10 year ending on the first day of April of the year
11 in which the tax is assessed. Said section four as
12 amended shall read as follows:—*Section 4.* Per-
13 sonal estate for the purpose of taxation shall in-
14 clude:—

15 First, Goods, chattels, money and effects, wher-
16 ever they are; ships and vessels at home or abroad,
17 except as provided in section seven.

18 Second, Money at interest, and other debts due the
19 person to be taxed more than he is indebted or
20 pays interest for; but not including in such debts
21 due him or indebtedness from him any loan or
22 mortgage of real estate, taxable as real estate, ex-
23 cept the excess of such loan above the assessed
24 value of the mortgaged real estate.

25 Third, Public stocks and securities, except as
26 provided in clause fifteen of section five, bonds of
27 railroads and street railways, stocks in turnpikes,
28 bridges and moneyed corporations within or with-
29 out this commonwealth, except as provided in sec-
30 tion sixty-four of Part III.

31 Fourth, The income from an annuity and the ex-
32 cess above two thousand dollars of all other in-
33 come, except that derived from property subject
34 to taxation, accruing to the person to be taxed
35 during the year ending on the first day of April
36 of the year in which the tax is assessed.

1 SECTION 2. The tax commissioner shall collect
2 from banks, corporations, insurance companies,
3 partnerships and persons information as to the
4 amount of interest, dividends, salaries or other
5 moneys paid to individuals resident in this com-
6 monwealth during the twelve months ending on
7 the first day of April together with the name and
8 residence of each of such individuals. It shall be
9 the duty of all banks, corporations, insurance com-
10 panies, partnerships and persons to furnish in
11 such detail as the tax commissioner shall require

12 the information which he is by this act required to
13 collect. The tax commissioner shall arrange such
14 information as he receives under the provisions of
15 this act in form suitable for the use of assessors
16 and shall on or before the first day of July of
17 each year transmit to each board of assessors such
18 facts as he has ascertained as to the total income
19 of residents of each city and town respectively.
20 The information required to be furnished to the
21 tax commissioner by banks, corporations, insurance
22 companies, partnerships and persons under the
23 provisions of this act shall be furnished in the
24 case of banks, corporations, insurance companies
25 and partnerships under the oath of the treasurer
26 or other financial officer, and in the case of persons
27 under the oath of the person who has paid out in-
28 terest, dividends, salaries or other moneys. If any
29 bank, corporation, insurance company, partnership
30 or person refuses to give to the tax commissioner
31 the information required to be furnished to him
32 under the provisions of this act, such bank, cor-
33 poration, insurance company, partnership, or the
34 treasurer or other financial officer thereof or such
35 person shall be subject to such penalties as are
36 imposed upon domestic business corporations for
37 failure to file tax returns required by section forty
38 of Part III of chapter four hundred and ninety of
39 the acts of the year nineteen hundred and nine.
40 Such penalty shall be recovered in the way pro-
41 vided for penalties to be recovered from said busi-
42 ness corporations.

1 SECTION 3. The board of assessors of each city
2 and town shall assess the income from annuities

3 and other income in excess of two thousand dollars
4 of each person resident in such city or town upon
5 a valuation not less than that reported to said
6 assessors by the tax commissioner and upon such
7 further valuation as said board of assessors may
8 in any way ascertain as being the income of such
9 person, and shall keep a record of the value of the
10 income of every separate person. Such record shall
11 be open to public inspection, but all the information
12 gathered by the tax commissioner under the pro-
13 visions of this act, and all information secured by
14 assessors relating to income, whether received from
15 the tax commissioner or from any other source,
16 shall, except as herein provided, be open only to the
17 inspection of the tax commissioner, his deputy,
18 assistants and clerks and to such other officers of
19 the commonwealth as are engaged in the assess-
20 ment and collection of taxes.