

# HOUSE . . . . No. 868

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By Mr. Hogan of Lynn (by request), petition of Charles Hartshorn for legislation to provide for the raising of public revenue by imposition of a tax on gross income in certain instances. Taxation.

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## The Commonwealth of Massachusetts

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

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AN ACT TO PROVIDE FOR THE RAISING OF PUBLIC REVENUE  
BY IMPOSING A TAX UPON THE RECEIPT OF GROSS IN-  
COME.

*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. This act may be cited as the gross  
2 income tax act of nineteen hundred and thirty-nine.

1 SECTION 2. The revenue therefrom may be used  
2 as follows:— Fifty per cent or any part therefrom  
3 may be used for the payment of any indebtedness of  
4 the commonwealth of Massachusetts as part of the  
5 General Fund of the commonwealth, and the balance  
6 shall be used to assist cities and towns in caring for  
7 those in need of relief and for the payment of old age  
8 security.

1 SECTION 3. This tax shall be imposed upon all  
2 persons, firms, groups and corporations, except labor  
3 unions, hospitals, and religious and charitable and

4 educational institutions which are not organized or  
5 operated for private benefit. It shall be considered  
6 as an excise tax upon the receipt of gross income and  
7 applicable to all residents of Massachusetts and all  
8 non-residents who derive gross income from within  
9 the commonwealth of Massachusetts.

1 SECTION 4. The measure of the tax shall be the  
2 gross amount of the receipts of the taxpayer.

1 SECTION 5. The tax shall be assessed at the rate  
2 of one per cent on all income, except that received  
3 from wholesale sales and from display advertising,  
4 both of which shall be taxed at the rate of one fourth  
5 of one per cent.

1 SECTION 6. A flat exemption of one thousand  
2 dollars shall be granted to all persons alike.

1 SECTION 7. The administration of the tax is  
2 vested in the department of the treasury of the com-  
3 monwealth of Massachusetts under the jurisdiction  
4 of the state treasurer as chief administration officer.  
5 There shall be created a division to be known as the  
6 gross income tax division of the department of the  
7 treasury, and there shall be appointed by the governor,  
8 subject to confirmation by the executive council, a  
9 department head who shall be known as director of  
10 the division of gross income tax.

1 SECTION 8. The department of the treasury shall  
2 make such rules and regulations, not in conflict with  
3 this act, as are necessary for the assessment and col-  
4 lection of such taxes as are imposed under this act.

5 Such regulations may also prescribe the qualifications  
6 of persons permitted to represent taxpayers before  
7 the department in connection with any taxes imposed  
8 under this act, and may provide for the admission or  
9 exclusion of such persons.

1 SECTION 9. All rules and regulations must be  
2 signed by the director and approved by the treasurer.

1 SECTION 10. Upon request the department shall  
2 furnish any taxpayer with a copy of such rules and  
3 regulations.

