

# HOUSE . . . . . No. 4704

---

---

## The Commonwealth of Massachusetts

---

HOUSE OF REPRESENTATIVES, May 3, 1967.

The committee on Taxation, to whom were referred so much of the recommendations of the State Tax Commission (House, No. 137) as relates to making technical changes in certain tax laws (accompanied by bill, House, No. 157); the petition (accompanied by bill, House, No. 1135) of the Massachusetts Society of Certified Public Accountants, Inc., and David C. Ahearn for legislation relative to the limitation of gain or loss on sale or exchange of capital assets consisting of intangible property; the petition (accompanied by bill, House, No. 1137) of the Massachusetts Society of Certified Public Accountants, Inc., and David C. Ahearn for legislation relative to the definition of gross income of a corporation dealing exclusively with securities as principal and not a broker; and the petition (accompanied by bill, House, No. 1138) of the Massachusetts Society of Certified Public Accountants, Inc., and David C. Ahearn for legislation relative to the definition of dividends and foreign taxes related thereto when computing net income subject to the corporate tax, report the accompanying bill (House, No. 4704).

For the committee,

MICHAEL CATINO.

## The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Sixty-Seven.

### AN ACT MAKING TECHNICAL CHANGES IN CERTAIN TAX LAWS.

*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. The third paragraph of section 6B of chapter 62  
2 of the General Laws, as amended by chapter 698 of the acts  
3 of 1966, is hereby further amended by striking out, each time  
4 it occurs, the word "five A" and inserting, in each instance,  
5 the word:—five B.

1 SECTION 2. Section 17 of chapter 63 of the General Laws, as  
2 appearing in section 14 of chapter 14 of the acts of 1966, is  
3 hereby amended by striking out, in lines 2 and 3, the words  
4 "May twenty-fifth, and November twenty-fifth" and insert-  
5 ing in place thereof the words :—the twenty-fifth day of the  
6 seventh month of its taxable year and on or before the  
7 twenty-fifth day of the first month following the close of its  
8 taxable year.

1 SECTION 3. Subsection (a) of section 38B of chapter 63 of  
2 the General Laws, as last amended by chapter 698 of the acts  
3 of 1966 is hereby further amended by adding the following  
4 sentence:—"Gross income", as defined above, shall include a  
5 deduction for losses from the sale or exchange of capital  
6 assets sustained during the taxable year to the extent allow-  
7 able by the Federal Internal Revenue Code.

1 SECTION 4. Subsection (b) of section 38B of chapter 63 of  
2 the General Laws, as last amended by chapter 698 of the acts  
3 of 1966 is hereby further amended by adding the following  
4 sentence:—"Gross income", as defined above, shall include a

5 deduction for losses from the sale or exchange of capital  
6 assets sustained during the taxable year to the extent allow-  
7 able by the Federal Internal Revenue Code.

1 SECTION 5. Section 3 of chapter 63C of the General Laws,  
2 as amended by section 71 of chapter 698 of the acts of 1966,  
3 is hereby further amended by inserting after the word "thirty-  
4 eight" the following words:—and section thirty-eight A or  
5 forty-two A.

1 SECTION 6. Section one shall apply with respect to taxable  
2 years commencing after December thirty-first, nineteen hun-  
3 dred and sixty-six. The remainder of this act shall apply with  
4 respect to taxable years ending on and after December thirty-  
5 first, nineteen hundred and sixty-six.

