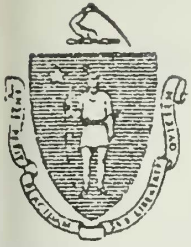


# The Commonwealth of Massachusetts



Department of Revenue

Leverett Saltonstall Building,

100 Cambridge Street, Boston 02204

JOYCE HAMPERS  
COMMISSIONER

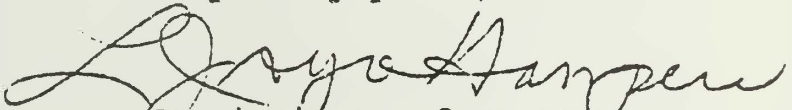
June 30, 1982

You inquire as to the Massachusetts income tax status of interest credited to an individual retirement account (IRA) by your Credit Union.

Massachusetts gross income is federal gross income with certain modifications. (G.L. c. 62, s. 2(a)). While IRA contributions are deductible federally, they are not deductible for Massachusetts income tax purposes. (G.L. c. 62, s. (2)(9)). Since interest or other earnings of an IRA are not included in federal gross income prior to distribution, such IRA income is not included in Massachusetts gross income and is not taxable prior to distribution.

For your information, I am enclosing a copy of LR 80-13 which explains the procedure for reporting distributions by the custodian of an IRA.

Very truly yours,

  
Commissioner of Revenue

LJH:RSF:mf

LR 82-68