

HOUSE No. 1822

By Mr. Schlosstein of Warren, petition of Frederic W. Schlosstein, Jr., for legislation to establish a seven per cent tax rate on the income of manufacturing corporations and eliminating compensation under the withholding tax law. Taxation.

The Commonwealth of Massachusetts

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

AN ACT ESTABLISHING A SEVEN PER CENT TAX RATE ON THE INCOME OF MANUFACTURING CORPORATIONS AND ELIMINATING COMPENSATION UNDER THE WITHHOLDING TAX LAW.

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. Subsection (a) of section 18 of chapter 58 of
2 the General Laws is hereby amended by inserting after the
3 word "business", in line 4, as appearing in section 1 of chap-
4 ter 796 of the acts of 1967, the words:—plus one half of
5 one per cent of withheld taxes paid over by employers under
6 section five of chapter sixty-two B.

1 SECTION 2. Section 5 of chapter 62B of the General Laws
2 is hereby amended by striking out the second paragraph.

1 SECTION 3. Clause (2) of subsection (a) of section 32 of
2 chapter 63 of the General Laws is hereby amended by striking
3 out the first sentence, as amended by section 18 of chapter 796
4 of the acts of 1967, and inserting in place thereof the following
5 two sentences:—Seven and one half per cent, except as here-
6 inafter provided, of its net income determined to be taxable
7 in accordance with the provisions of this chapter. If a corpora-
8 tion is deemed to be a domestic manufacturing corporation
9 under section thirty-eight C, it shall pay an amount equal to
10 seven per cent of its net income determined to be taxable in
11 accordance with the provisions of this chapter.

1 SECTION 4. Clause (2) of subsection (a) of section 39 of
2 said chapter 63 is hereby amended by striking out the first
3 sentence, as amended by section 19 of said chapter 796, and
4 inserting in place thereof the following two sentences:—
5 Seven and one half per cent, except as hereinafter provided,
6 of its net income determined to be taxable in accordance
7 with the provisions of this chapter. If a corporation is deemed
8 to be a foreign manufacturing corporation under section forty-
9 two B, it shall pay an amount equal to seven per cent of its
10 net income determined to be taxable in accordance with the
11 provisions of this chapter.

1 SECTION 5. Sections one and two of this act shall take effect
2 on January first, nineteen hundred and seventy. Sections
3 three and four of this act shall apply with respect to taxable
4 years commencing after December thirty-first, nineteen hun-
5 dred and sixty-nine.