

By Mr. Schlosstein of Warren, petition of Thomas H. Driscoll and Frederick W. Schlosstein, Jr., for legislation relative to taxation of security corporations. Taxation.

The Commonwealth of Massachusetts

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

AN ACT RELATING TO THE TAXATION OF SECURITY CORPORATIONS.

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 38B of chapter 63 of the General Laws,
2 as most recently amended by section 60 of chapter 698 of the
3 acts of 1966, is hereby amended by striking out said section
4 in its entirety and inserting in place thereof the following
5 section:—

6 *Section 38A. (a)* Every domestic business corporation or
7 foreign corporation, which is engaged exclusively in buying,
8 selling, dealing in, or holding securities on its own behalf and
9 not as a broker and is not a regulated investment or bank
10 holding company under the Federal Internal Revenue Code,
11 as amended and in effect for the taxable year [and which
12 either makes application with the commissioner for such clas-
13 sification before the end of the taxable year or has been so
14 classified by the commissioner for a prior taxable year and
15 such classification has not been revoked before the end of the
16 taxable year,] shall pay, on account of each taxable year, an
17 excise equal to one per cent of the gross income, as defined
18 in section thirty of this chapter, received by such corporation
19 during the taxable year or one hundred dollars, whichever
20 is greater.

21 *(b)* Every domestic business corporation or foreign cor-
22 poration, which is engaged exclusively in buying, selling,
23 dealing in or holding securities on its own behalf and not as
24 a broker and is a regulated investment or bank holding com-
25 pany under the Federal Internal Revenue Code, as amended

26 and in effect for the taxable year [and which either makes
27 application with the commissioner for such classification be-
28 fore the end of the taxable year or has been so classified by the
29 commissioner for a prior taxable year and such classification
30 has not been revoked before the end of the taxable year,] shall
31 pay, on account of each taxable year, an excise equal to one
32 quarter of one per cent of the gross income, as defined in sec-
33 tion thirty of this chapter, received by such corporation dur-
34 ing the taxable year or one hundred dollars, whichever is the
35 greater.

36 (c) Any corporation taxable under this section shall not
37 subject to the excise imposed by section thirty-two or thirty-
38 nine.

1 SECTION 2. This act shall apply to taxable years ending
2 after December thirty-first, one thousand nine hundred and
3 sixty-eight.