

Accompanying the thirty-second recommendation of the Department of Revenue (House, No. 290). Taxation.

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**The Commonwealth of Massachusetts**

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In the Year One Thousand Nine Hundred and Eighty-Five.

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AN ACT REPEALING THE SEPARATE INCOME TAX ON CORPORATIONS ENGAGED EXCLUSIVELY IN INTERSTATE COMMERCE.

*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. Chapter sixty-three C of the General Laws is  
2 hereby repealed.

1 SECTION 2. Subsection (b) of section eleven of chapter sixty-  
2 two C of the General Laws is hereby repealed.

1 SECTION 3. Said chapter sixty-two C is hereby further amended  
2 by striking out section 30, as most recently amended by sections  
3 122 and 123 of chapter 514 of the acts of 1978, and inserting in  
4 place thereof the following section: —

5 *Section 30.* If the federal taxable income of a person subject to  
6 taxation under chapter sixty-two is finally determined by the  
7 federal government to be different from the taxable income as  
8 originally reported, such final determination shall be reported,  
9 accompanied by payment of any additional tax due with interest as  
10 provided in section thirty-two, to the commissioner within one  
11 year of receipt of notice of such final determination. If the taxable  
12 income of a person subject to taxation under chapter sixty-three is  
13 finally determined by the federal government to be different from  
14 the taxable income as originally reported, such final determination  
15 shall be reported, accompanied by payment of any additional tax

16 due with interest as provided in section thirty-two, to the  
17 commissioner within three months of receipt of notice of such final  
18 determination. The report shall include a statement of the reasons  
19 for the difference in such form as the commissioner may require. If  
20 from such report or upon investigation it shall appear that any tax  
21 under chapter sixty-two or that the tax with respect to income  
22 under chapter sixty-three has not been fully assessed, the commis-  
23 sioner shall, notwithstanding the three-year limitation in section  
24 twenty-six, assess an additional tax, if any, with respect thereto,  
25 with interest as provided in section thirty-two. An assessment  
26 under this section shall be made in the manner provided in section  
27 twenty-six within one year of the receipt of such report or within  
28 two years of the receipt by the commissioner of information from  
29 the federal government that it has made a final determination of  
30 such person's federal taxable income different from that reported  
31 where no report is filed with the commissioner and shall be limited  
32 to changes in such person's tax liability under chapter sixty-two or  
33 sixty-three arising out of or related to the items which resulted in  
34 the change in federal taxable income.

35 If, as a result of the change by the federal government in a  
36 person's federal taxable income, such person believes that a lesser  
37 tax was due the commonwealth than was paid for such, or any  
38 other, taxable year, he may apply in writing to the commissioner  
39 for an abatement thereof under section thirty-seven within one  
40 year of the date of notice of such final determination by the federal  
41 government. The commissioner shall not be limited in this  
42 consideration of such application to the items which comprise the  
43 federal change but shall abate only such portion of the tax assessed  
44 or paid as exceeds the proper tax due under chapter sixty-two or  
45 sixty-three, as the case may be.

46 Any person failing to comply with the provisions contained in  
47 the first paragraph hereof shall be assessed a penalty in the sum of  
48 one hundred dollars, or ten per cent of the additional tax found  
49 due, whichever is smaller, said penalty to become part of the  
50 additional tax found due. For reasonable cause shown, the  
51 commissioner may, in his discretion, abate such penalty in whole  
52 or in part.

53 For the purposes of this section, the term "person" shall include  
54 any individual, partnership, trust, corporate trust or any other

55 fiduciary subject to taxation under chapter sixty-two or any  
56 corporation subject to taxation under chapter sixty-three.

