

# HOUSE . . . . . No. 3762

By Mr. Desrocher of Nantucket, petition of the Savings Banks Association of Massachusetts, the Massachusetts Co-operative Bank League, the Massachusetts Federal Savings Council, Inc., Arthur L. Desrocher and Joseph B. Walsh relative to the taxation of interest and dividends on savings deposits in banks or savings and loan associations incorporated in, chartered by or located in the Commonwealth. Taxation.

## **The Commonwealth of Massachusetts**

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

AN ACT RELATIVE TO THE TAXATION OF INTEREST AND DIVIDENDS ON SAVINGS DEPOSITS IN BANKS OR SAVINGS AND LOAN ASSOCIATIONS INCORPORATED IN, CHARTERED BY OR LOCATED IN THE COMMONWEALTH.

*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. Paragraph (2) of subsection (a) of section 2 of  
2 chapter 62 of the General Laws, as amended by section 2 of  
3 chapter 723 of the acts of 1973, is hereby further amended by  
4 inserting after clause (F) thereof the following additional  
5 clause:—

6 (G) Interest and dividends from savings deposits, including  
7 term and time deposits having a principal amount of less than  
8 one hundred thousand dollars, savings accounts, share or share  
9 savings accounts in any savings or cooperative bank, trust  
10 company or credit union incorporated in or chartered by the  
11 commonwealth; in any national bank, federal savings and loan  
12 association or federal credit union located in the com-  
13 monwealth; in any banking company or Morris 'Plan Compnay  
14 subject to chapter one hundred and seventy-two A; in any  
15 savings or loan association under the supervision of the  
16 commissioner of banks.

1 SECTION 2. Subsection (*b*) of section 2 of chapter 62 of the  
2 General Laws, as amended by chapter 77 of the acts of 1974, is  
3 hereby further amended by striking out paragraph (1) and  
4 inserting in place thereof the following paragraph: —

5 (1) Part A gross income shall be the total interest, dividends  
6 and net capital gain, included in Massachusetts gross income,  
7 other than interest from loans made in the course of business by  
8 persons subject to the provisions of section seventy to eighty-  
9 five, inclusive, of chapter one hundred and forty.

1 SECTION 3. Paragraph (*a*) of part B of section 3 of chapter  
2 62 of the General Laws, as appearing in section 2 of chapter 723  
3 of the acts of 1973, is hereby amended by striking out clause (6)  
4 thereof.

1 SECTION 4. This act shall apply to taxable years commen-  
2 cing after December thirty-first, nineteen hundred and seventy-  
3 three.