

HOUSE No. 1067

At the request of Mr. Bly of Saugus, the petition of Henry F. Long (Commissioner of Corporations and Taxation) for legislation relative to the taxation of banks, was taken from the files of the preceding annual session. Taxation.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Fifty.

AN ACT RELATIVE TO THE TAXATION OF BANKS.

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 2 of chapter 63 of the General
2 Laws, as most recently amended by section 3 of chap-
3 ter 509 of the acts of 1941, is hereby further amended
4 by striking out the first sentence and inserting in
5 place thereof the following new sentence:— Every
6 bank shall pay annually a tax measured by its net
7 income, as defined in section one, at the rate assessed
8 upon other financial corporations; provided, that
9 such rate shall not be higher than the highest of the
10 rates assessed under this chapter upon mercantile
11 and business corporations doing business in the com-
12 monwealth; and, provided, further, that such rate
13 shall not be higher than six per cent; and, provided,
14 further, that the tax shall not be less than a tax
15 equal to one per cent of the dividends declared by
16 such bank during the taxable year.

1 SECTION 2. Section 3 of said chapter 63 of the
2 General Laws, as most recently amended by sec-
3 tion 5 of chapter 323 of the acts of 1934, is hereby
4 further amended by striking out the paragraph con-
5 tained in lines 6 to 16, inclusive, and inserting in
6 place thereof the following paragraph: —

7 A copy of such parts as the commissioner may
8 designate of the federal return or returns for the
9 year by the income of which the tax is to be measured;
10 provided, that if any banks shall have participated
11 in filing a consolidated return of income to the fed-
12 eral government, it shall file with the commissioner
13 a statement of net income in such form as he may
14 prescribe, showing its gross income and deductions
15 in accordance with the law and regulations govern-
16 ing the usual federal returns of corporations not so
17 participating; such additional information as he may
18 require to determine the net income as defined in
19 section one; the amount of dividends declared by
20 such bank during the taxable year and such other
21 information as the commissioner may require to de-
22 termine the minimum tax imposed by section two.

1 SECTION 3. This act shall take effect January
2 first, nineteen hundred and fifty, and shall apply to
3 taxes assessed in nineteen hundred and fifty and
4 thereafter.