

By Mr. Travis of Rehoboth, petition of Philip Travis relative to the taxation of certain income derived from trusts. Taxation.

The Commonwealth of Massachusetts

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

AN ACT TO CLARIFY THE TAX LAWS OF THE COMMONWEALTH WITH RESPECT TO TRUSTS.

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 (c) of Section 10 of Chapter 62 of the
2 General Laws as appearing in the 1992 Official Edition, is hereby
3 amended by striking out said Subsection (c) and inserting in place
4 thereof the following: —

5 (c) The provisions of subsections (a) and (b) of this section
6 shall apply to the guardians and conservators; trustees and execu-
7 tors under the will of a person who died an inhabitant of the com-
8 monwealth; and trustees under a trust created by a person or
9 persons, any one of whom was an inhabitant of the common-
10 wealth at the time the trust becomes irrevocable or at any time
11 during the year for which the income is computed, or who died an
12 inhabitant of the commonwealth; any one of which trustees or
13 other fiduciaries is an inhabitant of the commonwealth; provided,
14 however, that said provisions shall not apply to trustees of pooled
15 income funds, as defined in section six hundred and forty-
16 two (c)(5) of the Code, or to trustees of charitable remainder
17 annuity trusts, or charitable remainder unitrusts, as defined in sec-
18 tion six hundred and sixty-four (d) of the Code.

1 SECTION 2. Subsection (3) of section 17 of Chapter 62 of the
2 General Laws, as appearing in the 1992 Official Edition, is hereby
3 amended by striking out the third and fourth sentences contained
4 therein and inserting in place thereof the following sentences: —

5 No loss of such partnership incurred during a taxable year
6 ending prior to nineteen hundred and ninety-three may be allo-
7 cated to any participating account but such loss may be used by
8 the partnership as provided in clause (3) of subsection (a) of sec-
9 tion four. No participating account deriving income from other
10 sources than such partnership may use any item of income, loss,
11 deduction or credit from such other sources to reduce any income
12 derived from such partnership for taxable years ending prior to
13 nineteen hundred and ninety-four.

1 SECTION 3. Section one of this act shall be effective with
2 respect to tax years beginning on or after January first, nineteen
3 hundred and ninety-four.