

By Mr. Durand, a petition (accompanied by bill, Senate, No. 1817) of Robert A. Durand for legislation relative to the expansion of a sales tax exemption for manufacturing and research and development corporations. Taxation.

The Commonwealth of Massachusetts

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

AN ACT RELATIVE TO THE ELECTION OF SINGLE SALES FACTOR BY DEFENSE CONTRACTORS.

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 63, section 38 of the General Laws is
2 hereby amended by adding thereto the following paragraph (k):

3 (k) A domestic or foreign corporation, which, during its five
4 taxable years immediately preceding its first taxable year begin-
5 ning after December thirty-first, nineteen hundred and ninety-four,
6 has derived more than 50% of its total gross receipts attributable
7 to manufacturing activities and the performance of services in the
8 commonwealth from the performance in the commonwealth of
9 contracts or subcontracts to provide goods and services to the
10 armed forces of the United States may, if required to apportion its
11 taxable net income pursuant to paragraph (c), elect to have such
12 apportionment determined solely by use of the sales factor.

1 SECTION 2. Paragraph (k) of section 38 shall be effective for
2 taxable years beginning on or after January 1, 1995.

