

By Mr. Cohen of Andover, petition of Gerald M. Cohen for legislation to clarify the authority of the Commissioner of Revenue. Taxation.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty.

AN ACT CLARIFYING THE AUTHORITY OF THE COMMISSIONER OF REVENUE.

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. Subparagraph G of paragraph 2 of subsection (a)
2 of section 2 of chapter 62 of the General Laws, as added by section
3 8 of chapter 796 of the acts of 1979, is hereby amended by striking
4 out said subparagraph and inserting in place thereof the
5 following: —

6 (G) The commissioner of revenue may approve United States
7 patents, which have been issued to Massachusetts residents or
8 applied for by Massachusetts residents as useful for energy conser-
9 vation and related purposes or as useful for alternative energy
10 development and related purposes, provided that such patents are
11 determined by said commissioner to be of economic value, practi-
12 cable, and necessary for the convenience and welfare of the Com-
13 monwealth and its citizens. any income received from the sale,
14 lease or other transfer of a patent so approved by the commis-
15 sioner, including royalty income, and any income received from
16 the sale, lease, or other transfer of tangible, intangible, personal or
17 real property or materials manufactured in the Commonwealth
18 subject to such patent shall be deducted. Said deduction shall
19 extend for a period no longer than 5 years from the date of issuance
20 of the United States patent or the date of approval by the commis-
21 sioner, whichever first expires. The commissioner shall consult
22 with the secretary of energy resources regarding the application
23 and enforcement of this subparagraph.

1 SECTION 2. Section 30 of chapter 63 of the General Laws, as
2 most recently amended by section 10 of chapter 796 of the Acts of
3 1979, is hereby further amended by striking out the last three
4 sentences as added by said section 10 and inserting in place thereof
5 the following sentences: —

6 “The commissioner of revenue may approve United States pat-
7 ents, which have been issued to Massachusetts corporations or
8 applied for by Massachusetts corporations as useful for energy
9 conservation and related purposes or as useful for alternative
10 energy development and related purposes, provided that such
11 patents are determined by said commissioner to be of economic
12 value, practicable, and necessary for the convenience and welfare
13 of the commonwealth and its citizens. Any income received from
14 the sale, lease or other transfer of tangible, intangible, personal or
15 real property or materials manufactured in the commonwealth
16 subject to such patent shall be deducted. Said deduction shall
17 extend for a period no longer than five years from the date of
18 issuance of the United States patent or the date of approval by the
19 commissioner, whichever first expires. The commissioner shall
20 consult with the secretary of energy resources regarding the appli-
21 cation and enforcement of these provisions.”

1 SECTION 3. This shall be applicable to tax years beginning on
2 or after January first, nineteen hundred and eighty.