

Accompanying the seventh recommendation of the Department of Revenue (House, No. 237). Taxation.

The Commonwealth of Massachusetts

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

AN ACT REVISING AND CLARIFYING CERTAIN PROVISIONS OF THE PERSONAL INCOME TAX.

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 (d) of section 2 of
2 chapter 62 of the General Laws, as appearing in the 1988 Official
3 Edition, is hereby amended by adding at the end of the first
4 sentence the following words: — in effect for the taxable year for
5 federal income tax purposes.

1 SECTION 2. Subparagraph (4) of paragraph (b) of Part B of
2 section 3 of said chapter 62, as so appearing, is hereby amended
3 by adding at the end of the first sentence the following words: —
4 in effect for the taxable year for federal income tax purposes.

1 SECTION 3. Paragraph (c) of Part B of section 3 of said
2 chapter 62, as so appearing, is hereby amended by inserting, in
3 each instance, after the word “Massachusetts”, in lines 138 and
4 140, the word: — adjusted.

1 SECTION 4. Subsection (a) of section 6 of said chapter 62, as
2 so appearing, is hereby amended by striking out the first sentence
3 and inserting in place thereof the following sentence: — A credit
4 shall be allowed against taxes imposed by this chapter to a resident
5 for taxes due any other state, territory or possession of the United
6 States, or the Dominion of Canada or any of its provinces on
7 account of any item of Massachusetts adjusted gross income

8 subject to the following restrictions and limitations: (i) the amount
9 of such taxes due on such income shall exclude interest and
10 penalties; (ii) the amount of such taxes due shall be reduced by
11 any federal credit therefor allowable on the resident's federal
12 income tax return; and (iii) the amount of the credit allowable
13 shall be the lesser of such taxes as reduced by (i) and (ii), or the
14 amount of tax imposed by this chapter multiplied by a fraction
15 the numerator of which is the Massachusetts Part A or Part B
16 adjusted gross income upon which the tax of such other
17 jurisdiction is imposed and the denominator of which is the total
18 Massachusetts Part A or Part B adjusted gross income, as the case
19 may be.

1 SECTION 5. Section 11B of said chapter 62, as so appearing,
2 is hereby amended by inserting in lines 2 and 9, before the word
3 "section", in each instance, the following words: — subsection (g)
4 of section ten and under.

1 SECTION 6. The last sentence of section 62 of said chapter
2 62, as so appearing, is hereby amended by striking out the words
3 "and has obtained permission from the commissioner to report
4 his income on such a basis."

1 SECTION 7. Section 1 of chapter 62B of the General Laws,
2 as appearing in the 1988 Official Edition, is hereby amended by
3 striking out the definition of "Employee" and inserting in place
4 thereof the following definition: —

5 "Employee", employee as defined in section thirty-four hundred
6 and one (c) of the Internal Revenue Code, except full-time
7 students engaged in seasonal, temporary or part-time employment
8 whose estimated annual income would not exceed eight thousand
9 dollars.

1 SECTION 8. Paragraph (i) of subsection (c) of section 14 of
2 said chapter 62B as so appearing, is hereby amended by striking
3 out, in line 24, the word "eighty" and inserting in place thereof
4 the word: — ninety.

1 SECTION 9. Said chapter 62B, as so appearing, is hereby
2 amended by adding at the end thereof the following section: —

3 Section 16. In the application of sections thirteen, fourteen and
4 fifteen to taxpayers reporting on a fiscal year basis, there shall
5 be substituted for the months specified therein, the months
6 corresponding thereto in accordance with regulations prescribed
7 by the commissioner.

1 SECTION 10. Subsection (a) of section 6 of chapter 62C of
2 the General Laws, as appearing in the 1988 Official Edition, is
3 hereby amended by striking out the second paragraph and
4 inserting in place thereof the following paragraph: —

5 Every nonresident, whose Massachusetts gross income,
6 determined as if he were a resident of the commonwealth
7 throughout the entire taxable year, exceeds eight thousand
8 dollars, every corporate trust taxable under section eight of
9 chapter sixty-two, and every other corporate trust doing business
10 within the commonwealth and every other partnership,
11 association or trust whose federal gross income, as defined in
12 section one of chapter sixty-two, exceeds one thousand dollars,
13 shall make a return of such income.

1 SECTION 11. Subsection (b) of section 6 of said chapter 62C,
2 as so appearing, is hereby amended by striking out, in line 36,
3 the words “one hundred dollars” and inserting in place thereof
4 “one thousand dollars”.

1 SECTION 12. The provisions of this act shall apply to taxable
2 years commencing on or after January first, nineteen hundred and
3 ninety-one.

