

# HOUSE . . . . No. 253

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By Mr. Gott of Arlington, petition of Henry F. Long (Commissioner of Corporations and Taxation) for legislation relative to the taxation of banks. Taxation.

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## The Commonwealth of Massachusetts

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

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### 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 first,  
2 nineteen hundred and fifty, and shall apply to taxes  
3 assessed in nineteen hundred and fifty and thereafter.