

SENATE No. 1394

By Ms. Amick, a petition (accompanied by bill, Senate, No. 1394) of Carol C. Amick and the National Federation of Independent Businesses, by T. Daniel Tearno, for legislation relative to the net operating loss deduction for corporations. Taxation.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty-one.

AN ACT RELATIVE TO THE NET OPERATING LOSS DEDUCTION FOR CORPORATIONS.

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 30 of Chapter 63 of the General Laws, as most re-
2 cently amended by Section 10 of Chapter 796 of the Acts of
3 1979, is hereby further amended in Clause b of paragraph 5
4 by inserting after subclause (iii) the following: —

5 (IV). Losses sustained in other taxable years, except that
6 all corporations not eligible for the deduction in subclause (ii),
7 whether or not organized under the laws of the commonwealth,
8 may carry forward losses for not more than three years and
9 carry back losses for not more than two years, so much of the
10 loss as determined under section one hundred and seventy-
11 two of the Federal Internal Revenue Code, as amended and in
12 effect for the taxable year, as is represented by net operating
13 loss carryovers, shall be deducted.

The Amendments of the

to the Tax Law of 1917

IN THE SENATE OF THE UNITED STATES

COMMITTEE ON FINANCE

Report made by the Finance Committee on the bill (S. No. 1391) to amend the Internal Revenue Code, as amended, and for other purposes.

- 1 Section 10 of Chapter 17 of the General Laws, as amended, is
- 2 hereby amended by Section 10 of Chapter 100 of the acts of
- 3 1917, a copy of which is printed in Chapter 100 of the acts of
- 4 1917, as hereby amended, in Chapter 100 of the acts of 1917,
- 5 to read as follows:—
- 6 (IV) Loans sustained in other taxable years except 1917
- 7 all corporations not eligible for the deduction in subsection (II)
- 8 whether or not organized within the time of the corporation's
- 9 first taxable year, shall be treated as if they were organized in
- 10 the first taxable year for not more than two years, and seven-
- 11 tenths of the Federal Internal Revenue Code, as amended and in
- 12 effect for the taxable year, as is represented by the operating
- 13 tax returns shall be included.