

SENATE No. 1496

The Commonwealth of Massachusetts

PRESENTED BY:

Brian A. Joyce

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to abolish the sting tax.

PETITION OF:

NAME:

Brian A. Joyce

DISTRICT/ADDRESS:

Norfolk, Bristol and Plymouth

SENATE No. 1496

By Mr. Joyce, a petition (accompanied by bill, Senate, No. 1496) of Brian A. Joyce for legislation to abolish the sting tax. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 1345 OF 2013-2014.]

The Commonwealth of Massachusetts

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**In the One Hundred and Eighty-Ninth General Court
(2015-2016)**
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An Act to abolish the sting 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. Chapter 63 of the General Laws is hereby amended by striking out section
2 32D and inserting in place thereof the following section:-

3 Section 32D. (a) A business corporation subject to an excise under section 39 which is an
4 S corporation or a qualified subchapter S subsidiary, as defined under section 1361 of the Code,
5 as amended and in effect for the taxable year, shall determine the net income measure of the
6 excise as follows:

7 The net income shall be determined by taking into account sub-chapter S of said Code.
8 Income or loss shall be determined as if it were realized or incurred directly by an owner subject
9 to taxation under chapter 62 or 63, as applicable. In the case of an S corporation, income shall be
10 included in the net income measure under this sub-section to the extent that the income is taxed

11 to the S corporation for federal income tax purposes. In the case of a qualified subchapter S
12 subsidiary, income shall be included in the net income measure under this subsection to the
13 extent that the income would have been taxed to the subchapter S subsidiary for federal income
14 tax purposes had it been treated as a separate corporation.

15 (b) For purposes of this section, in determining the net income of a qualified subchapter S
16 subsidiary, its gross income shall be determined by computing its gross income as defined under
17 the Code as if it had been taxed as a separate corporation for federal income tax purposes.