

**SENATE . . . . . No. 01531**

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The Commonwealth of Massachusetts

PRESENTED BY:

*Bruce E. Tarr*

*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 passage of the accompanying bill:

An Act extending net operating losses to financial institutions and utility corporations.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Bruce E. Tarr</i>	<i>First Essex and Middlesex</i>
<i>Michael R. Knapik</i>	<i>Second Hampden and Hampshire</i>
<i>Richard J. Ross</i>	<i>Norfolk, Bristol, and Middlesex</i>

# SENATE . . . . . No. 01531

By Mr. Tarr, petition (accompanied by bill, Senate, No. 1531) of Ross, Knapik and Tarr for legislation to extend net operating losses to financial institutions and utility corporations [Joint Committee on Revenue].

## The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act extending net operating losses to financial institutions and utility 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 1. Section 1 of chapter 63 of the General Laws, as appearing in the 2008  
2 Official Edition, is hereby amended by deleting the words "sections one to two A" in line 1 and  
3 inserting in their place the following words:- sections one to two B

4 SECTION 2. Said section 1 of chapter 63 of the General Laws, as so appearing in the  
5 2008 Official Edition, is hereby further amended by striking clause (b) of the definition of "Net  
6 income," and inserting in its place the following clause:-

7 (b) losses sustained in other taxable years, except for net operating losses sustained in any  
8 taxable year beginning on or after January 1, 2010; provided, further that no operating loss carry-  
9 forward of a financial institution shall be allowed as a deduction for any taxable year beginning  
10 before January 1, 2012.

11 SECTION 3. Subsection (f) of section 32B of said chapter 63, as appearing in the 2008  
12 Official Edition, is hereby amended by striking out clause (iii) and inserting in place thereof the  
13 following clause:- (iii) the application of any carry forwards, including the sharing of any net  
14 operating loss or tax credit carry forwards that are attributable to the activities of the combined  
15 group's unitary business, which shall provide for the liberal sharing of such attributes among  
16 each member of the group, including financial institutions and utility corporations irrespective of  
17 any limitation on the deduction for losses sustained in other taxable years that is otherwise  
18 imposed under section 1 or 52A of this chapter, but the carry forward of losses, credits or other  
19 tax benefits that arise before the effective date of this section shall be available only to the extent  
20 permitted by law as in effect before the effective date; it being understood that the research credit  
21 allowed under section 38M could be shared before such effective date without regard to whether  
22 the corporation generating the credit and the corporation using it participated in a combined  
23 return prior to the year of utilization; and

24 SECTION 4. clause (ii) of paragraph (b) of subdivision of subdivision (1) of section 52A  
25 of chapter 63 of the General Laws, as so appearing in the 2008 Official Edition, is hereby  
26 amended by striking clause (ii) and inserting in its place the following clause:-

27 (ii) losses sustained in other taxable years, except for net operating losses sustained in any  
28 taxable year beginning on or after January 1, 2010; provided, further that no operating loss carry-  
29 forward of a public utility corporation shall be allowed as a deduction for any taxable year  
30 beginning before January 1, 2012.

31 SECTION 5. Sections 1 through 4 are effective for tax years beginning on or after  
32 January 1, 2009.