HOUSE DOCKET, NO. 1741 FILED ON: 1/17/2013

HOUSE . . . . . No. 2697

The Commonwealth of Massachusetts

PRESENTED BY:

Alice Hanlon Peisch

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:

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

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Alice Hanlon Peisch	*14th Norfolk*

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By Ms. Peisch of Wellesley, a petition (accompanied by bill, House, No. 2697) of Alice Hanlon Peisch to extend net operating losses to banks and utilities for the purpose of taxation. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
HOUSE
, NO. *2560* OF 2011-2012.]

The Commonwealth of Massachusetts

An Act to extend 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:

SECTION 1. Section 1 of chapter 63 of the General Laws, as so appearing in the 2010 Official Edition, is hereby amended by striking the words "sections one to two A" in line 1 and inserting in their place the following words:- sections 1 to 2B

SECTION 2. Said section 1 of chapter 63 of the General Laws, as so appearing in the 2010 Official Edition, is hereby further amended by striking clause (b) of the definition of "Net income," and inserting in its place the following clause:-

(b) losses sustained in other taxable years, except for net operating losses sustained in any taxable year beginning on or after January 1, 2013; provided, further, that no net operating loss carry-forward of a financial institution shall be allowed as a deduction for any taxable year beginning before January 1, 2015. Losses sustained in any taxable year beginning on or after January 1, 2013 may be carried forward for not more than 20 years and may not be carried back. For purposes of this section, the net operating loss sustained in a taxable year shall mean the amount by which the deductions allowable in calculating net income for the taxable year, as defined in this section, including the deduction for dividends received allowable by this section, but not including the deduction for net operating losses allowable under this clause, exceed gross income for the taxable year, as defined in this section.

SECTION 3. Clause (a) of paragraph (5) of section 30 of chapter 63 of the General Laws, as so appearing in the 2010 Official Edition, is hereby further amended by striking the

19 words "For purposes of this chapter," and inserting in its place the words "For purposes of this
20 section,"

21 SECTION 4. Paragraph (b) of subdivision of subdivision (1) of section 52A of chapter
22 63 of the General Laws, as so appearing in the 2010 Official Edition, is hereby amended by
23 striking clause (ii) and inserting in its place the following clause:-

24 (ii) losses sustained in other taxable years, except for net operating losses sustained in
25 any taxable year beginning on or after January 1, 2013; provided, further, that no net operating
26 loss carry-forward of a utility corporation shall be allowed as a deduction for any taxable year
27 beginning before January 1, 2015. Losses sustained in any taxable year beginning on or after
28 January 1, 2013 may be carried forward for not more than 20 years and may not be carried back.
29 For purposes of this section, the net operating loss sustained in a taxable year shall mean the
30 amount by which the deductions allowable in calculating net income for the taxable year, as
31 defined in this paragraph, including the deduction for dividends received allowable by this
32 paragraph, but not including the deduction for net operating losses under this clause, exceed
33 gross income for the taxable year, as defined in this paragraph.

34 SECTION 5. Section 1 is effective for tax years beginning on or after January 1, 2012.
35 Sections 2 to 4 are effective for tax years beginning on or after January 1, 2013.
36 Notwithstanding any general or special law to the contrary, the carry forward period for losses
37 sustained in any taxable year beginning on or after January 1, 2013 but before the taxable year
38 beginning on January 1, 2014 shall begin with the first taxable year beginning on or after January
39 1, 2015. In addition, the carry forward period for losses sustained in short-period taxable years
40 beginning on or after January 1, 2014 but before the taxable year beginning on January 1, 2015
41 shall begin with the first taxable year beginning on or after January 1, 2015.