SENATE DOCKET, NO. 1168 FILED ON: 1/20/2011

SENATE . . . . . No. 1461

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 passage of the accompanying:

An Act to abolish the sting tax.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Brian A. Joyce	*Norfolk, Bristol, and Plymouth*

SENATE DOCKET, NO. 1168 FILED ON: 1/20/2011

SENATE . . . . . No. 1461

By Mr. Joyce, a petition (accompanied by bill, Senate, No. 1461) of Brian A. Joyce for legislation to abolish the sting tax. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
SENATE
, NO. *1280* OF 2009-2010.]

The Commonwealth of Massachusetts

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:

SECTION 1. Chapter 63 of the General Laws is hereby amended by striking out section 32D and inserting in place thereof the following section:-

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

The net income shall be determined by taking into account sub-chapter S of said Code. Income or loss shall be determined as if it were realized or incurred directly by an owner subject to taxation under chapter 62 or 63, as applicable. In the case of an S corporation, income shall be included in the net income measure under this sub-section to the extent that the income is taxed to the S corporation for federal income tax purposes. In the case of a qualified subchapter S subsidiary, income shall be included in the net income measure under this subsection to the extent that the income would have been taxed to the subchapter S subsidiary for federal income tax purposes had it been treated as a separate corporation.

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