

SENATE No. 1531

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 adoption 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>Michael R. Knapik</i>	
<i>Richard J. Ross</i>	<i>Norfolk, Bristol, and Middlesex</i>

SENATE No. 1531

By Mr. Tarr, a petition (accompanied by bill, Senate, No. 1531) of Bruce E. Tarr, Michael R. Knapik and Richard J. Ross for legislation to extend net operating losses to financial institutions and utility corporations. 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
28 any taxable year beginning on or after January 1, 2010; provided, further that no operating loss
29 carry-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.