

SENATE No. 1309

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act to allow for consolidated tax returns by financial institutions..

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, as appearing in the 2000 Official Edition,
2 is hereby amended by adding, after section 2A a new section:-

3 Section 2B. If two or more financial institutions participated in the filing of a
4 consolidated return of income to the federal government, the net income measure of their excises
5 imposed under section 2 and 2A, at their option, be assessed upon their combined net income, in
6 which case the excise shall be assessed to all said corporations and collected from any one or
7 more of them. The commissioner may require financial institutions that have made such election
8 to report the income measure of the excise, and the minimum excise if applicable, all as set forth
9 in sections 2 and 2A, on a single form; provided, however, that nothing in this section shall be
10 construed to eliminate the requirement that each financial institution participating in a combined
11 return compute the minimum excise if applicable in accordance with said sections 2 and 2A.

12 Where such election is made, each and every member of the consolidated group subject
13 to taxation under section 2 or 2A shall be included in such return of combined net income. The
14 combined net income shall be determined as follows: (a) the taxable net income of each such

15 financial institution apportioned to this commonwealth pursuant to the provisions of section 2A
16 shall first be separately determined; and (b) the taxable net income of each financial institution,
17 as so determined, shall then be added together and shall constitute their combined net income
18 taxable under this chapter.

19 Any election made pursuant to this section shall be made on or before the due date,
20 including any extension of time, for the filing of the return required under this chapter and
21 chapter sixty-two C of each member of the group so participating. Financial institutions electing
22 to file a combined return under this section must continue to file such a combined return for each
23 succeeding taxable year unless and until they receive the written prior approval of the
24 commissioner to file separate returns of income. Such approval shall be granted only if a valid
25 business purpose, other than a reduction of tax, exists for the request. An application to file such
26 separate returns, must be made on or before the due date, including any extension of time, for the
27 filing of the return required under this chapter and chapter sixty-two C.