

**SENATE . . . . . No. 1461**

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**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 adoption of the accompanying bill:

**An Act to abolish the sting tax.**

PETITION OF:

NAME:

*Brian A. Joyce*

DISTRICT/ADDRESS:

*Norfolk, Bristol and Plymouth*

**SENATE . . . . . No. 1461**

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

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

**The Commonwealth of Massachusetts**

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**In the Year Two Thousand Eleven**  
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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:*

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

3                   Section 32D. (a) A business corporation subject to an excise under section 32  
4 or 39 which is an S corporation or a qualified subchapter S subsidiary, as defined under section  
5 1361 of the Code, as amended and in effect for the taxable year, shall determine the net income  
6 measure of the excise as follows:

7                   The net income shall be determined by taking into account sub-chapter S of  
8 said Code. Income or loss shall be determined as if it were realized or incurred directly by an  
9 owner subject to taxation under chapter 62 or 63, as applicable. In the case of an S corporation,  
10 income shall be included in the net income measure under this sub-section to the extent that the

11 income is taxed to the S corporation for federal income tax purposes. In the case of a qualified  
12 subchapter S subsidiary, income shall be included in the net income measure under this  
13 subsection to the extent that the income would have been taxed to the subchapter S subsidiary for  
14 federal income tax purposes had it been treated as a separate corporation.

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