

SENATE No. 1601

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:

Bruce E. Tarr

DISTRICT/ADDRESS:

First Essex and Middlesex

SENATE No. 1601

By Mr. Tarr, a petition (accompanied by bill, Senate, No. 1601) of Bruce E. Tarr for legislation to extend net operating losses to financial institutions and utility corporations. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 1427 OF 2013-2014.]

The Commonwealth of Massachusetts

In the One Hundred and Eighty-Ninth General Court
(2015-2016)

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 2014
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:-

4 “sections one to two B”.

5 SECTION 2. Said section 1 of chapter 63 of the General Laws, as so appearing in the
6 2014 Official Edition, is hereby further amended by striking clause (b) of the definition of “Net
7 income,” and inserting in its place the following clause:-

8 (b) losses sustained in other taxable years, except for net operating losses sustained in any
9 taxable year beginning on or after January 1, 2012; provided, further that no operating loss carry-

forward of a financial institution shall be allowed as a deduction for any taxable year beginning before January 1, 2015.

SECTION 3. Subsection (f) of section 32B of said chapter 63, as appearing in the 2014 Official Edition, is hereby amended by striking out clause (iii) and inserting in place thereof the following clause:- (iii) the application of any carry forwards, including the sharing of any net operating loss or tax credit carry forwards that are attributable to the activities of the combined group's unitary business, which shall provide for the liberal sharing of such attributes among each member of the group, including financial institutions and utility corporations irrespective of any limitation on the deduction for losses sustained in other taxable years that is otherwise imposed under section 1 or 52A of this chapter, but the carry forward of losses, credits or other tax benefits that arise before the effective date of this section shall be available only to the extent permitted by law as in effect before the effective date; it being understood that the research credit allowed under section 38M could be shared before such effective date without regard to whether the corporation generating the credit and the corporation using it participated in a combined return prior to the year of utilization; and

SECTION 4. Clause (ii) of paragraph (b) of subdivision (1) of section 52A of chapter 63 of the General Laws, as so appearing in the 2014 Official Edition, is hereby amended by striking clause (ii) and inserting in its place the following clause:-

(ii) losses sustained in other taxable years, except for net operating losses sustained in any taxable year beginning on or after January 1, 2012; provided, further that no operating loss carry-forward of a public utility corporation shall be allowed as a deduction for any taxable year beginning before January 1, 2015.

32 SECTION 5. Sections 1 through 4 are effective for tax years beginning on or after
33 January 1, 2011.