

HOUSE No. 2646

The Commonwealth of Massachusetts

PRESENTED BY:

Alice Hanlon Peisch

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.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Alice Hanlon Peisch</i>	<i>14th Norfolk</i>	<i>1/19/2017</i>

HOUSE No. 2646

By Ms. Peisch of Wellesley, a petition (accompanied by bill, House, No. 2646) of Alice Hanlon Peisch to extend net operating losses to banks and utilities for the purpose of taxation. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 2650 OF 2015-2016.]

The Commonwealth of Massachusetts

In the One Hundred and Ninetieth General Court
(2017-2018)

An Act extending net operating losses to 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. Section 1 of chapter 63 of the General Laws, as appearing in the 2014
2 Official Edition, is hereby amended by striking out, in line one, the words "sections one to two
3 A" and inserting in place thereof the following words:- sections one to two B

4 SECTION 2. Said section 1 of chapter 63 of the General Laws, as so appearing, is
5 hereby further amended by striking out clause (b) of the definition of "Net income," and
6 inserting in place thereof 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, 2018; provided, further, that no net operating loss
9 carry-forward of a financial institution shall be allowed as a deduction for any taxable year
10 beginning before January 1, 2020. Losses sustained in any taxable year beginning on or after

January 1, 2018 may be carried forward for not more than 20 years and may not be carried back. For purposes of this section, the net operating loss sustained in a taxable year shall mean the amount by which the deductions allowable in calculating net income for the taxable year, as defined in this section, including the deduction for dividends received allowable by this section, but not including the deduction for net operating losses allowable under this clause, exceed gross income for the taxable year, as defined in this section.

SECTION 3. Clause (a) of paragraph (5) of section 30 of chapter 63 of the General Laws, as so appearing, is hereby amended by striking out, in line one, the word "chapter," and inserting in place thereof the word "section,"

SECTION 4. Section 1 shall take effect for tax years beginning on or after January 1, 2017.

SECTION 5. Sections 2 to 3 shall be effective for tax years beginning on or after January 1, 2018. Notwithstanding any general or special law to the contrary, the carry forward period for losses sustained in any taxable year beginning on or after January 1, 2018 but before the taxable year beginning on January 1, 2019 shall begin with the first taxable year beginning on or after January 1, 2020. In addition, the carry forward period for losses sustained in short-period taxable years beginning on or after January 1, 2019 but before the taxable year beginning on January 1, 2020 shall begin with the first taxable year beginning on or after January 1, 2020.