

**SENATE . . . . . No. 1796**

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**The Commonwealth of Massachusetts**

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PRESENTED BY:

***James B. Eldridge***

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*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 closing the single sales factor tax loophole.**

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PETITION OF:

NAME:

*James B. Eldridge*

DISTRICT/ADDRESS:

*Middlesex and Worcester*

**SENATE . . . . . No. 1796**

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By Mr. Eldridge, a petition (accompanied by bill, Senate, No. 1796) of James B. Eldridge for legislation to close the single sales factor tax loophole. Revenue.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE SENATE, NO. 1851 OF 2021-2022.]

**The Commonwealth of Massachusetts**

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**In the One Hundred and Ninety-Third General Court  
(2023-2024)**  
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An Act closing the single sales factor tax loophole.

*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 38 of chapter 63 of the General Laws, as appearing in the 2020  
2 Official Edition, is hereby amended by striking out subsection (c) and inserting in place thereof  
3 the following subsection:-

4           (c) If a corporation, other than a defense corporation as described in subsection (k) or a  
5 manufacturing corporation as described in subsection (l), has income from business activity  
6 which is taxable both within and without this commonwealth, its taxable net income, as  
7 determined under the provisions of subsection (a), shall be apportioned to this commonwealth by  
8 multiplying said taxable net income by a fraction, the numerator of which is the property factor  
9 plus the payroll factor plus twice times the sales factor, and the denominator of which is four.

10 SECTION 2. Subsection (f) of said section 38 of said chapter 63, as so appearing, is  
11 hereby amended by striking out the sixth paragraph.

12 SECTION 3. Said section 38 of said chapter 63, as so appearing, is hereby further  
13 amended by striking out subsections (m) and (n) and inserting in place thereof the following  
14 subsection:-

15 (m) In any case in which a purchasing corporation makes an election under section 338 of  
16 the Code, the target corporation shall be treated as having sold its assets for purposes of this  
17 section.