SENATE DOCKET, NO. 2458 FILED ON: 1/17/2025

# SENATE . . . . . No. 2091

## 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 allowing for the deduction of business interest.

PETITION OF:

| NAME: | DISTRICT/ADDRESS: | |
|---|---|---|
| *Bruce E. Tarr* | *First Essex and Middlesex* | |
| *Peter J. Durant* | *Worcester and Hampshire* | *3/17/2025* |

SENATE DOCKET, NO. 2458 FILED ON: 1/17/2025

# SENATE . . . . . No. 2091

By Mr. Tarr, a petition (accompanied by bill, Senate, No. 2091) of Bruce E. Tarr for legislation to allow for the deduction of business interest. Revenue.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. *1941* OF 2023-2024.]

## The Commonwealth of Massachusetts

**In the One Hundred and Ninety-Fourth General Court**
**(2025-2026)**

An Act allowing for the deduction of business interest.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

SECTION 1. Section 1 of chapter 62 of the General Laws is hereby amended by striking out subsection (c) and inserting in place thereof the following subsection: -

(c) "Code", the Internal Revenue Code of the United States, as amended on January 1, 2005 and in effect for the taxable year; but Code shall mean the Code as amended and in effect for the taxable year for sections 62(a)(1), 72, 105, 106, 139C, 223, 274(m), 274(n), 401 through 420, inclusive, 457, 529, 529A, 530, 951, 951A, 959, 961, 3401 and 3405 but excluding sections 402A and 408(q), and provided further that for purposes of determining the amount of business interest deductible under this chapter, the provisions of section 163(j) of the Code shall not apply.

SECTION 2. Section 1 of chapter 63 of the General Laws is hereby amended by striking out the definition of "Code" therein and inserting in place thereof the following definition: -

"Code", the Internal Revenue Code of the United States, as amended and in effect for the taxable year, unless otherwise provided; for sections 163(j), 381(c)(20), 382(d)(3) and 382(k)(1), Code shall mean the Code as amended and in effect for tax years beginning before January 1, 2018.

SECTION 3. Section 30 of said chapter 63 is hereby amended by striking out the first sentence of paragraph 4 and inserting in place thereof the following sentence: -

"Net income", gross income less the deductions, but not credits, allowable under the provisions of the Federal Internal Revenue Code, as amended and in effect for the taxable year; provided, however, that for sections 163(j), 381(c)(20), 382(d)(3) and 382(k)(1), Code shall mean the Code as amended and in effect for tax years beginning before January 1, 2018, and provided further that any deduction otherwise allowable which is allocable, in whole or in part, to one or more classes of income not included in a corporation's taxable net income, as determined under subsection (a) of section 38, shall not be allowed.

SECTION 4. This act shall be effective for taxable years beginning after December 31, 2017.