

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

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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 passage of the accompanying bill:

An Act to abolish the sting tax .

PETITION OF:

NAME:

Brian A. Joyce

DISTRICT/ADDRESS:

Norfolk, Bristol and Plymouth

# The Commonwealth of Massachusetts

\_\_\_\_\_  
In the Year Two Thousand and Nine  
\_\_\_\_\_

## 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 out section 32D and  
2 inserting in place thereof the following section:-

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

6 The net income shall be determined by taking into account sub-chapter S of said Code. Income or loss  
7 shall be determined as if it were realized or incurred directly by an owner subject to taxation under  
8 chapter 62 or 63, as applicable. In the case of an S corporation, income shall be included in the net  
9 income measure under this sub-section to the extent that the income is taxed to the S corporation for  
10 federal income tax purposes. In the case of a qualified subchapter S subsidiary, income shall be included  
11 in the net income measure under this subsection to the extent that the income would have been taxed to  
12 the subchapter S subsidiary for federal income tax purposes had it been treated as a separate corporation.

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