

SENATE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Morrissey, Michael (SEN)

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 allow for consolidated tax returns by financial institutions.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Morrissey, Michael (SEN)	Norfolk and Plymouth

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. S01765 OF 2007-2008.]

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT TO ALLOW FOR CONSOLIDATED TAX RETURNS BY 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. Chapter 63 of the General Laws, as appearing in the 2000 Official Edition,
2 is hereby amended by adding, after section 2A a new section:-

3 Section 2B. If two or more financial institutions participated in the filing of a consolidated
4 return of income to the federal government, the net income measure of their excises imposed
5 under section 2 and 2A, at their option, be assessed upon their combined net income, in which
6 case the excise shall be assessed to all said corporations and collected from any one or more of
7 them. The commissioner may require financial institutions that have made such election to report
8 the income measure of the excise, and the minimum excise if applicable, all as set forth in
9 sections 2 and 2A, on a single form; provided, however, that nothing in this section shall be
10 construed to eliminate the requirement that each financial institution participating in a combined
11 return compute the minimum excise if applicable in accordance with said sections 2 and 2A.

12 Where such election is made, each and every member of the consolidated group subject to
13 taxation under section 2 or 2A shall be included in such return of combined net income. The
14 combined net income shall be determined as follows: (a) the taxable net income of each such
15 financial institution apportioned to this commonwealth pursuant to the provisions of section 2A
16 shall first be separately determined; and (b) the taxable net income of each financial institution,
17 as so determined, shall then be added together and shall constitute their combined net income
18 taxable under this chapter.

19 Any election made pursuant to this section shall be made on or before the due date, including any
20 extension of time, for the filing of the return required under this chapter and chapter sixty-two C
21 of each member of the group so participating. Financial institutions electing to file a combined
22 return under this section must continue to file such a combined return for each succeeding
23 taxable year unless and until they receive the written prior approval of the commissioner to file
24 separate returns of income. Such approval shall be granted only if a valid business purpose, other
25 than a reduction of tax, exists for the request. An application to file such separate returns, must
26 be made on or before the due date, including any extension of time, for the filing of the return
27 required under this chapter and chapter sixty-two C.