

# HOUSE . . . . . No. 3033

---

By Mr. Marzilli of Arlington, petition of J. James Marzilli, Jr., and Peter V. Kocot for legislation to require corporate tax disclosure. Revenue.

---

## The Commonwealth of Massachusetts

---

In the Year Two Thousand and Seven.

---

### AN ACT REQUIRING CORPORATE TAX DISCLOSURE.

*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 62C of the General Laws is hereby  
2 amended by inserting after Section 12 the following:—

3 Section 12B. (a) Each bank, insurance company, and publicly-  
4 traded corporation obligated to file both a report pursuant to the  
5 Securities and Exchange Act of 1934 and successor acts or Title 12  
6 of the United States Code or section seven of chapter one hundred  
7 sixty-seven or section twenty-six of chapter one hundred sixty-eight  
8 or section eighteen of chapter one hundred seventy or section  
9 twenty-two of chapter one hundred seventy-two or section twenty-  
10 five of chapter one hundred seventy-five and a tax return pursuant to  
11 section eleven (a) or section twelve (a), (c), (d), (e), or (f) of this  
12 chapter shall, on or before March first of each year, report to the  
13 state secretary certain information from such tax return on a form  
14 prepared by the state secretary. Any entity which files a consoli-  
15 dated return shall report to the state secretary on a consolidated basis  
16 and shall list all entities so consolidated. Such form shall be treated  
17 as a report for the purposes of section one hundred twelve of chapter  
18 one hundred fifty-six (B), section nine of chapter one hundred  
19 eighty-one, and sections seven and eight of chapter one hundred  
20 sixty-seven and as part of the annual report for purposes of section  
21 twenty-six of chapter one hundred and seventy-five.

22 An amended form shall be filed within thirty days of any relevant  
23 change to the return made by the taxpaying entity or ordered by the  
24 commissioner.

25 (b) The forms prepared by the secretary shall be made available to  
26 the entities required to report under this section no later than January  
27 first of each year. Such form shall require the reporting of informa-  
28 tion from the return, schedules and attachments relevant to calcula-  
29 tion of tax liability and to the effect of apportionment rules,  
30 exemptions, deductions, and credits on the tax liability of entities  
31 subject to this reporting requirement. Said forms shall require infor-  
32 mation which includes, but which is not limited to, the following, as  
33 applicable: name of entity; street address of principal office; net and  
34 gross income and assets, including, where applicable, gross profit,  
35 taxable Massachusetts tangible property, taxable net worth, gross  
36 receipts or sales, net income, total net taxable income, income sub-  
37 ject to apportionment, income taxable in Massachusetts, total net and  
38 gross direct premiums in or allocable to Massachusetts, taxable pre-  
39 miums, gross investment income, Massachusetts taxable investment  
40 income, net underwriting profit, admitted assets, total adjusted tax-  
41 able income; each deduction, exemption, credit, offset, adjustment or  
42 credit carryover which reduces income subject to taxation (including  
43 to a negative level) or otherwise affects tax liability; the percentage  
44 used, if any, to establish what portion of total net taxable income is  
45 apportioned to Massachusetts; the total Massachusetts excise or tax  
46 due; the total Massachusetts excise or tax paid; any excess tax credit  
47 or credits subject to carryover to future years; and its net income  
48 according to its books on its federal return. In no case may the sec-  
49 retary require the reporting of any information not required on the  
50 return, schedules, or attachments provided to the commissioner.

51 (c) Any bank, insurance company, or publicly-traded corporation  
52 covered by this section which chooses to supplement the foregoing  
53 information with additional information from its tax return, may  
54 request, in writing, of the state secretary that such bank, insurance  
55 company, or publicly-traded corporation be allowed to append to the  
56 form such additional information. Such permission shall not be  
57 unreasonably denied.

58 (d) The commissioner shall annually notify all banks, insurance  
59 companies, and publicly-traded corporations of the obligations under  
60 this section. The first notice shall be given within thirty days after  
61 enactment of this section.

62 (e) By April first of each year the state secretary shall make  
63 public (i) all forms filed pursuant to this section with the state secre-

64 tary and (ii) a list of those banks, insurance companies, and publicly-  
65 traded corporations required to report under this section. All amend-  
66 ments or late filings shall be made public within thirty days of  
67 submission to the state secretary.

1 SECTION 2. Subsection (b) of section twenty-one of Chapter  
2 62C of the General Laws is hereby amended by inserting after para-  
3 graph (21) the following:—

4 (22) The full exercise of any of the activities required of either the  
5 commissioner or the state secretary by section twelve B of this  
6 chapter.

1 SECTION 3. Section five B of Chapter 29 of the General Law is  
2 hereby amended by inserting at the end of the third paragraph the  
3 following:—

4 The report of such estimates shall include, for every then-current  
5 tax expenditure enacted, extended or modified subsequent to January  
6 first of 1988, a detailed analysis of the revenue foregone based on  
7 the most recent fiscal year for which data is available or can reason-  
8 ably be obtained. Said analysis shall include, but need not be limited  
9 to, the number and proportion of taxpayers or taxpaying entities ben-  
10 efitting from the tax expenditure, by income, gross profit, gross  
11 receipts, or sales and the distribution of benefit across taxpayers or  
12 taxpaying entities with different income, gross profit, gross receipts  
13 or sales. To the extent possible, such analysis shall be based on data  
14 gathered from actual tax returns. Such analysis need not be provided  
15 for tax expenditures for which the revenue foregone did not exceed  
16 one million dollars in the most recent fiscal year for which data is  
17 available.