

HOUSE No. 3148

By Mr. Torrisi of North Andover, petition of David M. Torrisi relative to the taxation of income derived from the sale of assets held for three or more years and promoting long term investment among shareholders. Revenue.

The Commonwealth of Massachusetts

In the Year Two Thousand and Seven.

AN ACT TO PROMOTE LONG TERM INVESTMENT AMONG MASSACHUSETTS SHAREHOLDERS.

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 4 of chapter 62 of the General Laws, as
2 appearing in the 2004 Official Edition, is hereby amended by
3 striking out subsection (c) and inserting in place thereof the
4 following subsection:—

5 (c)(1) Part C taxable income shall be taxed at the same rate as
6 provided for in paragraph (b), except as provided in subsection
7 (c)(2) of this section.

8 (2) Part C taxable income derived from the sale of assets held for
9 three or more years shall be taxed at the rate of 3 per cent. Taxable
10 income qualifying for inclusion under this subsection (c)(2) shall be
11 limited to the following: (a) those assets purchased or acquired on or
12 after the date of enactment of this law, or (b) those assets purchased
13 or acquired prior to the enactment of this law but which are held for
14 a period of three or more years from the date of enactment of this
15 law. For the purposes of this subsection (c)(2), the length of time for
16 which an asset is held shall be determined by the trade date or date
17 upon which the transaction is initiated and not the settlement date.

1 SECTION 2. This act shall take effect on January 1 of the year
2 following its passage.