

PORT FINANCIAL CORP
Form 8-K
March 11, 2003

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): March 5, 2003

Port Financial Corp.

(Exact name of registrant as specified in its charter)

Massachusetts

000-29343

04-1145480

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

1380 Soldiers Field Road
Brighton, MA

02135

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **(617) 779-8300**

Not Applicable

(Former name or former address, if changed since last report)

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Items 1 through 4.

Not applicable.

Item 5. Other Events and Required FD Disclosure

Port Financial Corp. (the "Company"), the holding company for Cambridgeport Bank (the "Bank"), announced today that the Company will accrue a liability in the first quarter of 2003 of approximately \$840,000, representing an estimate of the additional state tax liability, including interest (net of any federal and state tax deductions associated

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with such taxes and interest), relating to the deduction for dividends received from a real estate investment trust subsidiary (a "REIT") for the 2001 and 2002 fiscal years. The accrued liability is the result of new legislation signed yesterday by the Governor of Massachusetts that amends Massachusetts law to expressly disallow the deduction for dividends received from a REIT. This amendment applies retroactively to tax years ending on or after December 31, 1999. As a result of the enactment of this legislation, the Company has ceased recording the tax benefits associated with the dividend received deduction effective for the 2003 tax year and accrued the liability described above.

The Company issued a press release relating to this matter on March 7, 2003, a copy of which is attached hereto as Exhibit 99.1.

The Exhibit 99.1 referred to in this Item 5 is filed as part of this report and is incorporated herein by reference.

Item 6

. Not applicable.

Item 7. Financial Statements and Exhibits

(a) No financial statements are required to be filed with this report.

(b) No pro forma financial information is required to be filed with this report.

(c) Exhibits

The following Exhibit is filed as part of this report:

EXHIBIT NO.:

99.1 Press release dated March 7, 2003.

Items 8 through 9.

Not applicable.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PORT FINANCIAL CORP.

By: /s/ James B. Keegan

James B. Keegan

Chairman and Chief Executive Officer

Date: March 7, 2003

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EXHIBIT INDEX

Exhibit

Description

99.1 Press release dated March 7, 2003.

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