



Commonwealth of Massachusetts

Department of Revenue

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2001 Massachusetts Fiduciary Income Tax **Form 2**

All Schedules and Instructions

Definitions

1. A resident fiduciary:

- a. is a resident of or has its usual place of business in Massachusetts; or
- b. is the executor or administrator of an estate of a deceased person who was a resident at the time of death; **and**

acts under an instrument created by the person who:

- a. at the time of creation of the instrument was a resident of Massachusetts; or
- b. is a resident at any time during the year in which income is received by the fiduciary under the instrument; or
- c. died as a resident of Massachusetts.

2. Massachusetts source income is income derived from or effectively connected with:

- a. any trade or business, including any employment carried on by the taxpayer in the Commonwealth; or
- b. the participation in any lottery or wagering transaction within the Commonwealth; or
- c. the ownership of any interest in real or tangible personal property located in the Commonwealth.

3. Massachusetts resident beneficiaries are:

- a. **Beneficiaries who reside in Massachusetts.**
- b. **Unborn persons:** Where income of a trust subject to the taxing jurisdiction of Massachusetts is being accumulated for persons unborn, such income is taxable to the trust.

Example: By the terms of a trust subject to the taxing jurisdiction of Massachusetts, income is payable to Jody Taxpayer, a resident of New Hampshire for life, with remainder to Jody's children. During a year in which Jody has no children, the trust realizes gains on the sale of securities. Such gains are taxable to the trust in their entirety.

- c. **Unascertained persons:** Where income of a trust subject to the taxing jurisdiction of Massachusetts is being accumulated for unascertained persons, such income is taxable to the trust. The term "unascertained persons" refers to a class of persons who cannot be identified with certainty until the happening of a special event. The term also applies to those of a class who fulfill some special qualification.

Example: By the terms of a trust subject to the taxing jurisdiction of Massachusetts, income is payable to A, B and C, in equal shares, with remainder in equal shares to each as he/she attains the age of 30. The share of any who die under age 30 is to be added to those of the survivors. Here it cannot be ascertained who will take the remainder until all of A, B and C have either attained 30 or died before attaining that age. Accordingly, gains realized by the trust will be deemed to be income accumulated for the benefit of unascertained persons and taxable in full to the trust.

- d. **Persons with uncertain interests:** A remainder interest in a trust which is vested and not subject to being divested by the happening of any contingency expressly mentioned in the trust instrument is not classified as an uncertain interest. Any other type of future interest such as a contingent remainder or a vested remainder subject to being cut off upon the happening of a contingency is an uncertain interest. Where income of a trust subject to the taxing jurisdiction of Massachusetts is being accumulated for a person or persons with uncertain interests, such income is taxable to the trust. For more information, see DOR Directive 94-4.

What Type of Income is Subject to Tax?

To the extent income is payable to/or accumulated for the benefit of:

Type of fiduciary & type of income:

Resident (Massachusetts) fiduciary as to Massachusetts source income

Resident (Massachusetts) fiduciary as to non-Massachusetts income

Nonresident Fiduciary as to Massachusetts source income

Nonresident Fiduciary as to non-Massachusetts source income

Massachusetts resident beneficiaries:

Income subject to tax at the fiduciary level

Income subject to tax at the fiduciary level

Income subject to tax at the fiduciary level

Income subject to tax at the beneficiary level

Nonresident beneficiaries:

Income subject to tax at the fiduciary level

Income **not** subject to tax if vested in a nonresident

Income subject to tax at the fiduciary level

Income **not** subject to tax

Before You Begin

Getting Started

Step One: Gather all your records together, including your Forms W-2 (Wages), W-2G (Winnings), and any 1099 forms. Use this information to complete your U.S. return first. The information on your U.S. return will help you complete your Massachusetts return.

Step Two: Remove the forms from this booklet. Please keep the extra copy for your records; you may need information from it when you complete your return next year.

When completing your return, simply proceed line by line, reading the instructions for each line before you enter any amounts. If a line does not apply to you, enter a zero or a dash. Then, copy all information carefully onto the form you intend to file. Be sure to check your return to make sure it is correct.

Step Three: After you have checked your return, be sure to sign it. Form 2 is not considered a valid return unless it is signed. Original signatures are required or the return will not be accepted. If a payment is due, be sure to attach your payment as indicated.

Major Tax Changes for 2001

Tax Lowered on Wages, Salaries and Certain Other Items of Income

Legislation passed in 2000 resulting from a ballot initiative provides a reduction of the tax rate on wages, salaries, and certain other items of income that will be phased in over a three-year period starting with tax year 2001. This category of income, called “5.6% income” on Form 2, includes such items as wages, salaries, other employee compensation, tips, pensions, partnership income, business income, rents, alimony, winnings and Massachusetts bank interest. The tax rate on this category of income is decreased from 5.85% to 5.6% for taxable year 2001.

Tax Lowered on Interest and Dividends

Under a recent law change, the tax rate on dividends and interest (other than interest from Massachusetts banks) is the same as the tax rate on the category of income including wages, salaries, etc., that is more fully described above. The tax rate on dividends and interest is decreased from 5.85% to 5.6% for taxable year 2001. 12% income

continues to include short-term capital gains, as well as short- and long-term capital gains arising from the sale of collectibles, and pre-1996 installment sales classified as capital gain income for Massachusetts purposes.

Lower Capital Gains Tax Rates Fully Phased In

Legislation passed in 1994 reduced the tax on gain from the sale of capital assets held for more than one year. For purposes of the law, holding periods will commence on January 1, 1995. The lower tax rates, ranging from 5% to 0%, have been gradually phased in over six years as holding periods increase from the commencement date.

Gains on the sale of capital assets (excluding collectibles) held for more than one year but not more than two years are taxed as 5% income, those held for more than two years but not more than three years are taxed as 4% income, those held for more than three years but not more than four years are taxed as 3% income, those held for more than four years but not more than five years are taxed as 2% income, those held for more than five years but not more than six years are taxed as 1% income, and those held for more than six years are taxed as 0% income. Deductions from these items of income include long-term capital losses, certain short-term capital losses, allowable deductions from your trade or business, and excess exemptions.

For a detailed explanation of the new law, see the Department’s Regulation on Capital Gains and Losses at 830 CMR 62.4.1.

Credit for Building or Development of Low-Income Housing

Effective for tax years beginning on or after January 1, 2001, a new low-income housing credit is available to certain taxpayers that claim a federal low-income housing credit for the building or development of low-income housing under IRC sec. 42. The amount of credit a taxpayer can claim for a qualified Massachusetts project will be allocated by the Massachusetts Department of Housing and Community Development. A qualified Massachusetts project is a “qualified low-income housing project” as that term is defined in IRC sec. 42 if it is located in Massachusetts, meets the requirements of M.G.L. c. 62, sec. 6I and the owner enters into a regulatory agreement with the Department of Housing and Community Development.

Common Form 2 Mistakes

An incomplete or incorrect return can delay processing of your return. Below are tips to help us process your return as quickly as possible.

- **Incorrect computation.** Many returns must be corrected by DOR each year due to simple errors in computation. Before mailing your return, double-check your arithmetic to make sure the computations are correct.
- **Filing status.** Be sure to check the correct box in line 1, Filing Status.

- **Missing withholding statement(s).** Make certain the state copy of all Forms W-2 (Wages), W-2G (Winnings), and 1099-G or 1099-R that show Massachusetts income tax withheld are attached. These forms are frequently missing and must be obtained later from the taxpayer.
- **Missing schedules.** Make sure you have attached required schedules supporting Form 2 information — Schedules B, D, D-1, E, F, H and Forms 2G, 20, 20A and required U.S. schedules.
- **Missing signature.** Thousands of unsigned returns are received by DOR every year. These returns must be returned to the taxpayers for signatures.

General Information

Fiduciary income is subject to similar deductions, exemptions and tax rates as individual income taxed in Massachusetts. Massachusetts taxes the fiduciary entity, rather than the beneficiary. Actual tax liability is determined by the domicile of the beneficiary and the nature of the income. Income in the hands of a fiduciary retains its character and, as such, receipts which would not constitute income to an individual, such as interest on U.S. obligations, is not taxable to a fiduciary.

Trusts are classified as either grantor-type or nongrantor-type. When a grantor or another person is treated as the owner of a trust according to Sections 671 through 678 of the U.S. Internal Revenue Code (IRC), then the trust is not recognized as a separate taxable entity for income tax purposes, and the trustee files Form 2G, an information return. The grantor or other owner is required to report the income, deductions and credits of a grantor-type trust on his/her Massachusetts individual income tax return. Nongrantor-type trusts are all other types of trusts. The rules applicable to the filing of Form 2G are on the back of that form.

Massachusetts taxes nongrantor-type trusts and estates differently than the U.S. Government. The major distinctions are:

- There is no income distribution deduction. All income and capital gains, if subject to taxation, are taxed on Form 2.
- There is no shifting of tax liability by payments of income or capital gain. The adjusted gross income can be modified by subtracting any actual payments made during the taxable year of non-Massachusetts source income to a nonresident. Otherwise, there is no distribution deduction, and U.S. Schedule K-1 does not apply.
- Prior consent must be requested in order to file a return on a fiscal year basis. An application can be made on Form 13. Fiduciaries failing to obtain prior permission to file on a fiscal year basis can be placed on a calendar year basis.
- There is no distributable net income to calculate any “throwback rules.”
- Taxes, legal, accounting and tax preparation fees, as well as probate administration expenses, are not deductible.
- There is no personal exemption for the fiduciary.

Who Must File a Massachusetts Fiduciary Return?

Every executor, administrator, trustee, guardian, conservator, trustee in a noncorporate bankruptcy or receiver of a trust or estate that received income which is taxable under Ch. 62 in excess of \$100 and that is subject to Massachusetts jurisdiction must file a Form 2. Fiduciaries of grantor-type trusts should see the back of Form 2G.

What Other Forms Must Be Filed?

Note: All applicable U.S. schedules, forms and attachments must be filed with Form 2. A copy of U.S. Schedule K-1 must be attached in all cases where a deduction is taken for the payment of income to a nonresident.

The Department of Revenue has developed an extensive information exchange program between the following returns:

- Form 1, Resident Income Tax Return;

- Form 1-NR/PY, Nonresident/Part-Year Resident Tax Return;
- Form M-1310, Statement of Claimant to Refund Due on Behalf of Deceased Taxpayer;
- Form 2, Fiduciary Income Tax Return; and
- Form M-706, Estate Tax Return.

Discrepancies and nonfilings, except those allowed under Massachusetts law, will be identified and may result in an audit or further investigation.

When is Form 2 Due?

Form 2 is due **on or before April 16, 2002**. If permission has been granted to file on a fiscal year basis, the return is due on or before the 15th day of the fourth month after the close of the fiscal year. Request for permission to file on a fiscal year basis is submitted on Form 13.

What Should I Do if I Make a Mistake or Leave Something Off My Return?

If after filing your income tax return you receive an additional tax statement, such as a W-2 or 1099, or discover that an error was made, submit a second tax return containing the correct information. **Clearly mark this new return “Amended” across the top and check the amended return box in line 1.** If the change reduces the tax liability, attach Form CA-6, Application for Abatement/Amended Return, and a copy of the return that you originally filed. Form 2 or Form CA-6 is available at any Department of Revenue location, or you may have one mailed to you by calling (617) 887-MDOR.

What if I Am Unable to Pay?

If you are unable to pay the full amount of tax that you owe, you should pay as much of your tax liability as possible with this return. You will receive a bill from the Department for the remaining amount of tax due plus accrued interest and penalty charges. If the amount of that bill is less than \$5,000 and you still cannot pay it in full, you must apply formally to the Department for a small payment agreement in order to avoid collection activity. Setting up a small payment agreement will allow you to make monthly payments over a set period to meet your unpaid liability.

How Do I Request An Extension?

To receive an extension of time to file, you must file an Application for Extension of Time to File Massachusetts Fiduciary, Partnership or Corporate Trust Return, Massachusetts Form M-8736, and pay the amount of tax you expect to owe on or before the due date for filing your Massachusetts income tax return. The filing and approval of this form will extend the due date for six months. Interest is charged on any tax not paid by the original due date.

If you are applying for an extension and do not expect to owe any tax or you choose to pay by Mastercard, Visa, Discover or Novus brand card, you may file your application for extension by touch-tone telephone (see Form M-8736 instructions for more information).

Note: Your extension will not be valid if you fail to pay 80% of your total tax liability through withholding, estimated tax payments or with your Massachusetts Form M-8736. Form M-8736 is available at any Department of Revenue location.

Are Charitable Trusts/Private Foundations Tax Exempt?

Funds held in trust for public charitable purposes are exempt from tax under Massachusetts General Laws (MGL), Ch. 62, sec. 3, if such income is currently payable to, or irrevocably set aside for, public charitable purposes.

Every trustee who receives income that, except for MGL, Ch. 62, sec. 3, would be taxable is required to file a return for such income on Form 2. The return must be accompanied by a copy of the most recently filed applicable federal return.

What Deductions and Exemptions Are Allowable on the Guardianship/Conservatorship Form 2?

Every deduction and exemption that an individual is entitled to take on Form 1 may be claimed by the guardian or conservator on behalf of the ward on Form 2.

Supporting documentation must be attached, including all applicable schedules from U.S. Form 1040, e.g., Schedule A, Itemized Deductions, if claiming the medical expense exemption.

Any deduction or exemption claimed must be entered and explained first on Form 2, line 19, and then in line 27 and line 35 and Schedule D, line 23 and Schedule D-1, line 2, as appropriate. Deductions may usually only be used against 5.6% income. See Schedule C-2 for the limited circumstances under which deductions may be applied against interest (other than interest from Massachusetts banks), dividends and capital gain income.

Line by Line Instructions

Line 1. Filing Status

Applicable Boxes — Check all applicable boxes. For example, if an estate were filing its first return, it would check the boxes for Decedent's Estate and First Return. If filing an amended return, check the box for Amended Return and write "Amended" across the top of the return. Grantor-type trusts should file Form 2G and check the Consolidated Form 2G box if also filing Form 2. See the instructions on the back of Form 2G for details. If filing on a fiscal year basis, check the box for Fiscal Year Filer and enter your fiscal year's beginning and ending dates in the appropriate line above. If you have elected to file as a Qualified Funeral Trust (QFT) on U.S. Form 1041-QFT, check the box for Qualified Funeral Trust. If you have filed a composite Form 1041-QFT for QFTs for which you are the trustee, you may also file a Form 2 for all QFTs that you are the trustee. If filing a composite Form 2 for QFTs, check the box for Qualified Funeral Trust and write "Composite QFT" across the top of the return. You must attach a schedule to a composite Form 2 that includes the following information for each QFT (or separate interest treated as a separate QFT): The name of the owner or the beneficiary. If you list the name of the owner and that trust has more than one beneficiary, you must separate the trust into shares held by the separate beneficiaries; The type and gross amount of each type of income earned by the QFT for the tax year. For long-term capital gains, identify separately the amount of capital gain by holding period; The type of each deduction allocable to the QFT; The tax and payments made for each QFT; and if the QFT was terminated during the year, give the date of termination.

Name and Title of Fiduciary — Enter the exact legal name and title of the fiduciary. In case of multiple fiduciaries, one name is sufficient.

Should I Be Making Estimated Tax Payments in 2002?

Fiduciary filers (estates or trusts) who are subject to Massachusetts' jurisdiction and owe more than \$200 in taxes on income not subject to withholding for the taxable year, are required to make estimated tax payments to the Commonwealth.

In most cases, the first payment voucher, Massachusetts Form 2-ES, must be filed on or before April 15 of the taxable year. The estimated tax may be paid in full with the first payment voucher or in four installments on or before April 15, June 15, September 15 of the taxable year and January 15 of the following year. Massachusetts Form 2-ES is available at any Department of Revenue location.

Fiscal year taxpayers must file their first payment voucher on or before the 15th day of the fourth month of the fiscal year. The estimated tax may be paid in full with the first payment voucher or in four equal installments on or before the 15th day of the fourth, sixth and ninth months of the fiscal year and the 15th day of the next fiscal year. Be sure to use the appropriate voucher for each payment and fill in the tax year and date.

Whenever a due date falls on a Saturday, Sunday or legal holiday, the filing and payment may be made on the next succeeding business day.

Fiduciaries who underpay, or fail to pay, their estimated taxes may incur a penalty. Form M-2210, Underpayment of Massachusetts Estimated Income Tax, is used to compute the additional charge.

Name of Entity — Enter the exact legal name of the entity. If a trust or estate, refer to the governing instrument; other fiduciaries should use the exact legal name as their appointing court ruled.

Mailing Address of Fiduciary — Enter the mailing address of the fiduciary who is listed on the first line.

C/o — If the mailing address is the address of a legal firm or a person other than the fiduciary, that person or firm should be listed on the C/o line.

Company Account Number — If applicable, enter the company account number your firm has assigned to this entity.

U.S. Taxpayer Number — Enter the U.S. employer identification number. U.S. Form SS-4, Application for Employer Identification Number, should be used to apply for an employer identification number if you do not already have one. Enter "applied for" and the date applied for in the box if the number is not available at time of filing. Do **not** use a decedent's Social Security number for an estate. A separate employer identification number is required for the estate and for each trust entity.

Date Entity Created — Enter the date the trust was created. If filing a return for an estate, enter the date of death. All other fiduciaries should enter the date of appointment.

Receiving a Form 2 Booklet — Many fiduciary returns are computer generated. To save mailing and printing costs check the box in the name and address area only if you need to receive a Form 2 booklet next year.

Beneficiary Information

Line 2. Beneficiaries

List the complete name of each income beneficiary. An income beneficiary is a beneficiary of a trust who is entitled to receive the income from the trust. If filing for other than a trust, enter the name of the person receiving the income.

Line 3. Social Security Number

Enter the Social Security number of the income beneficiary.

Line 4. Legal Domicile

Enter the legal domicile of the income beneficiary. A legal domicile is a person's permanent home.

If all of the income and capital gains are taxed at 100%, you do not need to complete lines 5–11.

Line 5. Total Income

Enter the dollar amount of the income the beneficiary received during the tax period covered by the return. This is the total of the beneficiary's share of lines 18, 25 and 33; Schedule B, line 26; Schedule D, line 22, columns A, B, C, D, E and F; and Schedule D-1, line 1, columns A, B, C, D, E and F.

Line 6a. Percentage of Income

Enter the percentage of total income that was paid to/or accumulated for each beneficiary.

Line 6b. Percentage of Taxable Income

Indicate the percentage of total income taxable in Massachusetts for each beneficiary. See "What Type of Income is Subject to Tax?"

Line 7. Accumulated Income

Enter the amount of income accumulated, i.e., retained by the entity, for the year.

Line 8. Total

Add column 5 and enter the total in the applicable space in line 8. Column 6a must total 100%. Add column 6b and enter the total in the applicable space in line 8.

Line 9. Remaindermen

In returns where taxable stock dividends, taxable gains from the purchase or sale of real estate, tangible and intangible personal property, or dividends which are wholly or in part credited to capital have been received by the fiduciary during the tax year covered by this return and in all cases where all or part of the taxable income is accumulated for remainder interests, then line 9 **must** include the complete name and address of each remainderman (a remainderman is the person entitled to an estate after the prior estate has expired).

Lines 3–6 must be completed accordingly. Note that accumulated income or principal held in trust for the benefit of unborn or unascertained persons, or persons with uncertain interests, are taxed as if accumulated for the benefit of a known Massachusetts resident (MGL, Ch. 62, sec. 10(a)).

Line 10. Accumulated Capital Gain

Enter the amount of capital gain accumulated, i.e., retained by the entity, for the year.

Line 11. Total

Add column 5 and enter the total in the applicable space in line 11. Column 6a must total 100%. Add column 6b and enter the total in the applicable space in line 11.

5.6% Income

Line 12. Wages, Salaries, Tips, Other Employee Compensation

Enter wages, salaries, tips and other compensation earned and received, and if applicable, enter the amount reported as Massachusetts wages on Form W-2.

For a decedent's estate, income in respect of a decedent is taxed in line 12. Income in respect of a decedent is income the decedent had a right to receive prior to the date of death, but payment of which was made to the estate after date of death. Wages, salaries or other forms of compensation, including any fixed sum amount attributable to services rendered prior to the decedent's death, are to be included in line 12. Income in respect of a decedent is reported and taxed on the Form 2 as income to the estate in addition to reporting and taxing it on the Decedent's Estate Tax Return, Form M-706, as an asset of the estate.

Line 13. Taxable Pensions and Annuities

Income from most private pension or annuity plans is taxable in Massachusetts. Only if the income is from a contributory annuity, pension, endowment or retirement fund of the U.S. Government, the Commonwealth of Massachusetts or its political subdivisions, or any noncontributory pension or survivorship benefits from the United States uniformed services (Army, Navy, Marine Corps, Air Force, Coast Guard, commissioned corps of the U.S. Public Health Service and National Oceanic and Atmospheric Administration) is the income exempt. Pension income from certain other states or their political subdivisions that do not tax such income from Massachusetts, may be eligible to be deducted.

Enter the fully taxable amounts received from pension or annuity plans in line 13. Amounts distributed from an IRA or Keogh plan should also be reported in line 13.

Line 14. Business/Profession or Farm Income or Loss

For entities engaged in operating a business or profession, complete and attach Massachusetts Schedule C and U.S. Schedules C, C-EZ or F, and enter the amount of income or loss in line 14.

Line 15. Rental, Royalty and REMIC Income or Loss

Rental, Royalty and Real Estate Mortgage Investment Conduit (REMIC) residual income are generally taxable in Massachusetts. Enter the amount from Schedule E, line 4. Attach Schedule E and a copy of U.S. Schedule E. Explain any differences in amounts entered on the Massachusetts and U.S. schedules which result from part-year residency, trust provisions or allowable differences. See Schedule E instructions for further details of possible differences in reporting rental, royalty and REMIC income or loss.

Line 16. Interest from Massachusetts Banks

Begin by entering, in the spaces provided, the names of all savings banks, cooperative banks, national banks, trust companies, savings and loan associations or credit unions located in Massachusetts, in which you have deposit accounts and the amounts of interest received or credited to these accounts (savings accounts, savings shares, NOW accounts and term and time deposits). Attach an additional statement if more space is needed. All other interest, unless exempt, should be entered in Schedule B, line 1.

Line 17. Other 5.6% Income

Other 5.6% income, not reported elsewhere, must be included here. Enter the source and amount of each item.

Attach a supplemental statement if additional space is needed. Items reported here include: partnership and S corporation income or loss; gambling winnings from lotteries, raffles, races or other events of chance, wherever held; fair market value of prizes and awards; lump-sum distributions from qualified employee benefit plans in excess of employee's contributions and any other miscellaneous income.

Income received by a Massachusetts trust or estate from sources not previously subject to Massachusetts jurisdiction or taxed in Massachusetts is subject to taxation on Form 2. Sources not previously subject to Massachusetts taxation include non-Massachusetts estates, trusts and partnerships, wherever located. Enter the income or loss from these entities in the appropriate lines 12 through 35 on Form 2, Schedule D, lines 1 through 6 and Schedule D-1, line 1 according to the character and source of income. If no other line applies, enter the income or loss from these entities in line 17.

Line 18. Total 5.6% Income

Add lines 12 through 17, and enter the total in line 18.

Line 19. Modified Gross 5.6% Income

Once jurisdiction is established, income received by a fiduciary or executor is fully taxable in Massachusetts to the extent that the income is payable to/or accumulated for residents of Massachusetts. Correspondingly, a percentage deduction may be taken by the entity for amounts paid to nonresident beneficiaries, subject to the following limitation: to the extent of any income that is subject to taxation under MGL, Ch. 62, sec. 5A, as Massachusetts source income, such income is fully taxable, regardless of whether it is payable to/or accumulated for residents or nonresidents. For a more detailed explanation of what constitutes Massachusetts source income, please refer to the "Definitions" section.

Income received by a fiduciary or executor which is accumulated for unborn or unascertained persons, beneficiaries or remaindermen with uncertain interests, is also fully taxed as though accumulated for residents of the Commonwealth. Enter the 5.6% income taxable in Massachusetts. Explain if line 19 is different from line 18.

Example:

Trust X received \$6,000 in non-Massachusetts source royalty income, line 15 and \$7,000 in winnings, line 17. The trust has two beneficiaries, one a resident of Massachusetts and the other a resident of Oregon. The trust paid each beneficiary one-half of the income, \$6,500 each. The trust may deduct \$3,000 of the royalty income from its total 5.6% income as a payment to a nonresident. The trust may not, however, deduct the Oregon resident's share of the Massachusetts winnings, \$3,500, as it is Massachusetts source income and is taxable to nonresidents. The trust then has \$10,000 of modified gross income for line 19.

Line 20. Beneficiaries' Exemptions

Enter the amount assignable to beneficiaries with No Tax Status, or the amount applicable to beneficiaries' unused personal exemptions. See the section on Beneficiaries' Claims. Form 20 or 20A and Form 1 must be attached to substantiate the claim.

Line 21. Deductions Allowed Decedents

The amount of any deduction in respect to a decedent that is not properly allowable to the decedent in respect to the taxable period in

which his/her date of death falls, or prior period, shall be specifically allowed, provided that the estate of the decedent is liable to discharge the obligation for which the deduction relates.

The following deductions are allowed, but only if attributable to the decedent and paid after date of death (attach copy of Form 1):

- Amounts paid into Social Security (FICA), Railroad, U.S. or Massachusetts Retirement Systems are deductible up to a maximum of \$2,000. Payments to an IRA, Keogh, Simplified Employee Pension Plan (SEP) or Simple Account are not deductible.
- Amounts paid to someone to care for one (or more) qualified child under age 13, or for a disabled dependent(s) or spouse so that the decedent could work or look for work, are deductible as an employment-related expense.
- A deduction of \$2,400 for one or \$4,800 for two dependent members of household under age 12, or dependent age 65 or over (not the taxpayer or their spouse) or disabled dependent at the close of the taxable year in which the decedent's death falls. This deduction may only be claimed as long as no employment-related expense deduction is claimed.
- Amounts paid for rent qualifying as the decedent's principal residence, are deductible equal to 50% of the rent paid during the taxable year, up to a maximum of \$3,000. Attach a supplemental statement listing landlord's name(s) and address(es), dates rented and amount(s) of rent paid for each residence.
- The deduction for unreimbursed travel and transportation expenses incurred by any employee, and unreimbursed gifts, entertainment and other employee business expenses incurred by employees who solicit business for an employer away from the employer's place of business are allowed only if the taxpayer itemizes deductions on his/her U.S. income tax return and only for amounts that exceed 2% of U.S. adjusted gross income. The amount an employee is reimbursed for business expenses continues to be an allowable deduction.
- A penalty charge for early withdrawal of savings and interest is deductible but only if the interest that the penalty is related to is reported on Form 2.
- Amounts paid to a former spouse for alimony or separate maintenance pursuant to a court decree are deductible as long as the amounts are paid in the taxable year in which the decedent's death falls.
- A deduction for 50% of the qualified insurance payments for a self-employed taxpayer and his or her spouse and dependents.

In addition, the following federal deductions are allowed: interest payments due and paid on qualified student loans; qualified moving expenses paid or incurred with the commencement of work at a new principal place of work; business expenses of state and local government employees who are compensated on a fee basis; jury duty pay surrendered by an employee to their employer; and contributions by employees of small businesses and self-employed individuals to a Medical Savings Account.

Line 22. Total Exemptions and Deductions

Add lines 20 and 21, and enter the total in line 22.

Line 23. Net Taxable 5.6% Income

Subtract line 22 from line 19. Enter the result in line 23, but *not less than "0."*

Line 24. Interest and Dividend Income

Enter amount from Schedule B, line 29. See Schedule B instructions for detailed information. Complete and attach Schedule B.

Line 25. Common Trust Fund Interest and Dividends

Enter the amount of interest and dividends received from common trust funds.

Line 26. Total Interest and Dividend Income

Add line 24 and line 25.

Line 27. Modified Gross Interest and Dividend Income

Enter the modified gross income in Massachusetts. Modified gross income is the amount reported on line 26, reduced by the portion of such amount that is attributable to deductible amounts paid to or accumulated for nonresident beneficiaries. No amount of capital gains accumulated for an unascertained remainder may be deducted in determining amounts reportable in line 27. If there is Massachusetts source income in line 26, refer to the instructions for line 19. Explain if line 27 is different from line 26.

Line 28. Beneficiaries' Exemptions

Enter the amount assignable to beneficiaries with No Tax Status or the amount applicable to beneficiaries' unused personal exemptions in line 28. See the section on Beneficiaries' Claims. Form 20 or 20A and Form 1 must be attached to substantiate the claim.

Line 29. Net Taxable Interest and Dividend Income

Subtract line 28 from line 27, and enter the result in line 29. If less than zero, enter "0." This is the net taxable interest and dividend income.

Line 30. Total Income Taxable at 5.6%

Add line 23 and line 29.

Line 31. Tax from Table

Based upon the amount in line 30, find the proper amount of tax in the table, and enter the tax in line 31. If line 30 is greater than \$80,000, multiply the amount in line 30 by .056, and enter the result in line 31. You **must** use the tax table if line 30 is \$80,000 or less.

Line 32. 12% Capital Gains

Enter amount from Schedule B, line 30. See Schedule B instructions for detailed information. Complete and attach Schedule B.

Line 33. Short-Term Common Trust Fund Capital Gains

Enter the amount of short-term capital gains received from common trust funds.

Line 34. Total 12% Capital Gains

Add line 32 and line 33.

Line 35. Modified 12% Capital Gains

Enter the modified gross income in Massachusetts. Modified gross income is the amount reported on line 34, reduced by the portion of such amount that is attributable to deductible amounts paid to or accumulated for nonresident beneficiaries. No amount of capital gains accumulated for an unascertained remainder may be deducted in determining amounts reportable in line 35. If there is Massachusetts source income in line 34, refer to the instructions for line 19. Explain if line 35 is different from line 34.

Line 36. Beneficiaries' Exemptions

Enter the amount assignable to beneficiaries with No Tax Status or the amount applicable to beneficiaries' unused personal exemptions in line 36. See the section on Beneficiaries' Claims. Form 20 or 20A and Form 1 must be attached to substantiate the claim.

Line 37. Net Taxable 12% Capital Gains

Subtract line 36 from line 35, and enter the result in line 37. If less than zero, enter "0." This is the net taxable 12% income.

Line 38. 12% Tax

Multiply the amount in line 37 by .12, and enter the result in line 38.

Line 39. Tax on Long-Term Capital Gains

Enter the amount from Schedule D, line 27 in line 39.

Line 40. Tax on Long-Term Common Trust Fund Capital Gains

Enter the amount from Schedule D-1, line 6 in line 40.

Line 41. Credit Recapture

If any Brownfields Credit or Economic Opportunity Area Credit property is disposed of or ceases to be in qualified use prior to the end of its useful life, the difference between the credit taken and the total credit allowed for actual use must be added back to tax on Form 2. Complete and attach Schedule H-2, Credit Recapture.

Line 42. Total Tax

Add lines 31, 38, 39, 40 and 41. Enter the total in line 42.

Line 43. Credits**Credit for Taxes Paid to Other Jurisdictions**

You should use Schedule F, if all or part of the income reported on this return is subject to taxation in another state or specified jurisdiction and you have filed a return and paid taxes in the other state or jurisdiction. Do not include taxes paid to the U.S. Government. Attach Schedule F and all returns from other states. The total credit which you calculate on Schedule F is the smaller of the amount of taxes due to other jurisdictions (net of certain adjustments); or the portion of your Massachusetts tax due on your gross income that is taxed in such other jurisdiction.

Lead Paint Credit

A credit for up to \$1,500 is given for expenses incurred for removing or covering lead paint on residential premises in Massachusetts. A seven-year carryover of any unused credits is provided. However, credits generated before January 1, 1994 are subject to a five-year carryover. Also, a credit is allowed for interim controls, abatement measures that have been taken pending the complete removal of lead paint, for up to \$500 per dwelling unit. This \$500 amount is counted towards the \$1,500 limit. Strict regulations govern who can cover or remove lead paint. The basic rules are explained on Massachusetts Schedule LP, Credit for Removing or Covering Lead Paint on Residential Premises. If you qualify for the credit, complete and attach Massachusetts Schedule LP.

Economic Opportunity Area Credit

Massachusetts allows a credit equal to 5% of the cost of qualifying property purchased for business use within an Economic Opportunity Area (EOA). To qualify for this credit, the property must be used exclusively in a certified project in an EOA. A certified project is a project that has been approved by the Economic Assistance Coordinating Council (EACC). Complete and attach Schedule EOA, Economic Opportunity Area Credit. See Schedule EOA for more information.

Full Employment Credit

Every employer who participates in the Full Employment Program and continues to employ a participant for at least one full month after any Full Employment Program subsidy for that participant has expired may claim the Full Employment Credit. A qualified employer may claim a credit equal to \$100 per month of eligible employment per participant, with a maximum credit of \$1,200 per participant. Qualified participants and employers are those who participate in the Full Employment Program under the rules of the Department of Transitional Assistance (DTA). A five-year carryover of any unused credit is allowed. If you qualify for this credit, complete and attach Massachusetts Full Employment Credit, Schedule FEC.

Septic Credit

An owner of residential property located in Massachusetts who occupies the property as his or her principal residence is allowed a credit of a maximum of \$1,500 per taxable year for expenses incurred to comply with the sewer system requirements of Title V as promulgated by the Department of Environmental Protection or to connect to a municipal sewer system pursuant to a federal court order, administrative consent order, state court order, consent decree or similar mandate. The amount of the credit is 40% of the cost, up to \$15,000, for design and construction expenses for repair or replacement of a failed cesspool or septic system. The maximum aggregate amount of the credit is \$6,000. A five-year carryover of any unused credit is allowed. See TIRs 97-12, 98-8 and 99-5 and DOR Directive 01-6 for more information. If you qualify for this credit, complete and attach Massachusetts Schedule SC, Septic Credit.

Brownfields Credit

Taxpayers are allowed a credit for amounts expended to rehabilitate contaminated property owned or leased for business purposes and located within an economically distressed area. In general, the credit is 25% or 50% of certain environmental response and removal costs incurred between August 1, 1998, and January 1, 2005. The credit that may be taken in any taxable year is limited to 50% of the taxpayer's tax liability. A five-year carryover of unused credit is allowed, provided the taxpayer continues to maintain the remedies required by law. See TIR 99-13 for more information. If you qualify for this credit, complete and attach Massachusetts Schedule BC, Brownfields Credit.

Low-Income Housing Credit

A low-income housing credit is available to taxpayers. The Department of Housing and Community Development will allocate the low-income housing credit from a pool of available credits granted under section 42 of the Internal Revenue Code among qualified low-income housing projects. A taxpayer allocated a federal low-income housing credit may also be eligible for a state credit based on the credit amount allocated to a low-income housing project that the taxpayer owns. A five-year carryforward of used credit is allowed. See TIR 99-19 for more information. If claiming the credit attach a copy of the eligibility statement issued by the Department of Housing and Community Development.

Line 44. Tax After Credits

Subtract line 43 (total credits) from line 42 and enter the result in line 44.

Line 45. Massachusetts Income Tax Withheld

This represents all income taxes withheld for the Commonwealth of Massachusetts as indicated on your copies of Forms W-2, W-2G and 1099-G or 1099-R, if applicable. Enter the total of all Massachusetts withholdings in line 45. Be sure you attach the state copies to the front of your return where indicated in the left margin;

otherwise your claim of amounts withheld will not be allowed. If you have lost any state copy, ask the payer for a duplicate. Copies of Forms 1099-G and 1099-R need only be attached if they show an amount for Massachusetts tax withheld.

Line 46. 2000 Overpayment Applied to your 2001 Estimated Tax

Include the exact amount of any 2000 overpayment you applied to your 2001 estimated taxes on your 2000 Massachusetts Form 2, line 51. Do not include any 2000 refund in this line.

Line 47. 2001 Massachusetts Estimated Tax Payments

Enter the total amount of Massachusetts estimated income tax payments made for 2001. Do not include the amount in line 46.

Line 48. Payments Made with Extension

If an Application for Extension of Time to File Fiduciary, Partnership or Corporate Trust Return, Massachusetts Form M-8736, was made for 2001 on or before the due date of the return, enter in line 48 the amount you paid with Massachusetts Form M-8736. Attach a copy of Massachusetts Form M-8736 to Form 2 when filing. An extension of time to file does not extend the due date for payment of the tax.

Any tax not paid on or before the due date, without regard to the extension, will be charged interest. Any tax not paid within the extended period is subject to a penalty of ½% per month, up to a maximum of 25% from the due date of the return.

Line 49. Payment with Original Return

Use this line if you are amending the original return. Enter in line 49 the amount of tax you paid with the original return from line 54, Balance Due. If estimated tax payments were made on the original return, they should be reflected in line 47, as on the original return. Check the amended return box in line 1. Complete the entire return, correct the appropriate line(s) with the new information and recompute the tax liability. On an attached sheet, explain the reason for the amendment(s) and identify the line(s) and amount(s) being changed on the amended return. If the change reduces the tax liability, attach Form CA-6, Application for Abatement/Amended Return, and a copy of the return that you originally filed.

Send the amended return, with Form CA-6 on top, to:

**Massachusetts Department of Revenue
PO Box 7031
Boston, MA 02204**

If you owe additional tax, send the amended Form 2 to:

**Massachusetts Department of Revenue
PO Box 7018
Boston, MA 02204**

Line 50. Total Tax Payments

Add lines 45 through 49, and enter the total in line 50.

Line 51. Overpayment

If line 44 is smaller than line 50, subtract line 44 from line 50, and enter the result in line 51. This is the amount of the overpayment. If line 44 is larger than line 50, skip to line 54.

Line 52. Amount of Overpayment to be Applied to 2002 Massachusetts Estimated Taxes

Enter the amount of the 2001 overpayment from line 51 that you want applied to your 2002 Massachusetts estimated taxes.

Line 53. Amount of Refund

Subtract line 52 from line 51, and enter the result in line 53. This is the amount of your refund.

Line 54. Balance Due

If line 50 is smaller than line 44, subtract line 50 from line 44, and enter the result in line 54. Include in line 54 any additional payment for interest and/or penalty (see following description), and indicate amount on form. Pay this amount in full with the return when filed. Make the check or money order payable to the **Commonwealth of Massachusetts** and write the tax identification number on the lower left front corner.

Penalty for Late Payment: The penalty for late payment is ½% of the tax due, per month (or fraction thereof) up to a maximum of 25%.

Penalty for Failure to File: The penalty for failure to file a tax return by the due date is 1% of the tax due, per month (or fraction thereof) up to a maximum of 25%.

Penalty for Protested (“Bad”) Check: If your check is not honored by your bank for insufficient funds, or any other reason, a penalty may be added equal to 2% of the amount of the check or \$10, whichever is greater (but no more than the amount of the check).

Federal (Audit) Change Penalty: If the U.S. Internal Revenue Service changes a tax return for a prior year (generally through audit), file an amended Form 2 with the amended box checked together with any required schedules or additional payments within one year of the final federal determination to avoid a penalty. The penalty is equal to the smaller of 10% of the additional tax due, or \$100. If the change indicates a refund, file Massachusetts Form CA-6, Application for Abatement/Amended Return, within one year.

Addition for Underpayment of Estimated Tax: If withholding and/or estimated tax payments do not equal 80% of the total tax liability required to be paid, an addition to tax will generally apply. If you failed to meet this requirement, you must complete and attach Massachusetts Form M-2210 to calculate the amount of penalty you must add to line 54 or to show which exception applies. Most taxpayers who qualify for an exception had withholding and/or estimated payments equal to their tax liability for the preceding year.

Taxpayer’s Declaration

At least one of the fiduciaries must sign the return, under penalties of perjury, and write the date it is signed. Fiduciaries using facsimile signatures **must** follow the procedures in DOR Directive 89-9. Staple all state copies of any Forms W-2, W-2G and any 1099 with Massachusetts withholding on the front of the Form 2. If making a payment, staple your check or money order to the front of the Form 2. Make the check or money order payable to the **Commonwealth of Massachusetts**, and be sure to sign the check. The tax identification number should be entered on the front of the check. Attach all required U.S. forms and schedules to the back. Please attach Massachusetts forms and schedules first, followed by Massachusetts Form M-2210, then Massachusetts Form M-8736, if applicable, and a copy of the applicable U.S. forms and schedules.

This return, together with payment in full, is due **on or before April 16, 2002**. Mail to:

**Massachusetts Department of Revenue
PO Box 7018, Boston, MA 02204**

Direct fiduciary inquiries, **not returns**, to:

**Massachusetts Department of Revenue
Customer Service Bureau
PO Box 7010, Boston, MA 02204
Telephone: (617) 887-MDOR**

Additional Form and Schedule Instructions

Schedule B. Interest, Dividends and Certain Capital Gains and Losses

You must file Massachusetts Schedule B if you had:

- any interest income other than from Massachusetts banks taxed at 5.6%;
- short-term capital gains or losses;
- carryover short-term losses from prior years;
- long-term gains on collectibles or pre-1996 installment sales;
- gains or losses from the sale, exchange or involuntary conversion of property used in a trade or business;
- net long-term capital gains or losses; or
- excess exemptions.

Collectibles are defined as any capital asset that is a collectible within the meaning of Internal Revenue Code section 408(m), as amended and in effect for the taxable year, including works of art, rugs, antiques, metals, gems, stamps, alcoholic beverages, certain coins, and any other items treated as collectibles for federal tax purposes.

- You need not file Massachusetts Schedule B if all interest income you had was from Massachusetts banks (reportable in Form 2, line 16).
- You must complete Massachusetts Schedule B if your interest or dividend income includes: dividends taxed directly to trusts or estates on a Massachusetts Fiduciary Return, Form 2; or exempt portions of any interest or dividends from a mutual fund or dividends from current earnings of a corporate trust that are taxed directly on a Massachusetts Corporate Trust Return, Form 3F.

Line 1. Total Interest

Enter total interest from U.S. Form 1041 or 1041-QFT, page 1, line 1.

Note: Interest is Massachusetts source income if it is derived from or connected with Massachusetts business activity or the ownership of Massachusetts real estate or tangible personal property.

Interest from a common trust fund may be excluded here, provided it is entered in Form 2, line 25. If common trust fund interest is included in this line, enter the amount in line 8 and Form 2, line 25.

Line 2. Total Dividends

Enter total dividends from U.S. Form 1041 or 1041-QFT, page 1, line 2. Dividends from a common trust fund may be excluded here, provided they are entered in Form 2, line 25. If common trust fund dividends are included in this line, enter the amount in line 8 and Form 2, line 25.

Line 3. Other Interest and Dividends

Enter in line 3 any other interest and dividends not included in lines 1 and 2. Line 3 includes such items as interest from obligations of other states and their political subdivisions that are not taxable federally but are taxable in Massachusetts. Any tax-exempt municipal interest, including interest from all Massachusetts municipalities, should be entered here for Schedule H computations.

Line 4. Total Interest and Dividends

Add lines 1, 2 and 3, and then enter the total in line 4.

Line 5. Interest on U.S. Debt Obligations

Enter the total amount of U.S. Government obligation interest included in line 4. Interest from **obligations** of the U.S. Government are not taxable by the Commonwealth of Massachusetts.

Line 6. Total Interest from Massachusetts Banks

Enter the total amount of interest from savings in Massachusetts banks included in Form 2, line 16.

Line 7. Interest and Dividends Taxed Directly to Other Massachusetts Estates and/or Trusts

Enter the total amount of interest and dividends taxed directly to other Massachusetts estates and/or trusts that has been included in lines 1, 2 or 3. Attach a statement detailing the type of income, the payor and the payor's tax identification number.

Line 8. Other Interest and Dividends to Be Excluded

Enter any other interest or dividends to be excluded. A schedule and statement of explanation must be attached. Common trust fund dividends or interest included in lines 1 or 2 must be entered here. Any tax-exempt municipal interest entered in line 3, for Schedule H computations, must be entered here.

Line 9. Total Adjustments

Add lines 5 through 8, and enter the total in line 9.

Line 10. Subtotal Interest and Dividends

Subtract line 9 from line 4, and enter the result in line 10.

Note: If there are any differences between U.S. and Massachusetts amounts reported in lines 11, 12, 13, 17 and 18, be sure to enter the Massachusetts amount and attach a statement that includes the line item and an explanation of the differences.

Exclude short-term capital gains received from common trust funds from Schedule B and enter short-term capital gains received from common trust funds in Form 2, line 33. Also, exclude short-term capital gains or losses taxed directly on Massachusetts Fiduciary Return, Form 2, or other fiduciaries of which this entity is a beneficiary.

Line 11. Short-Term Capital Gains

Enter the total short-term capital gains included in U.S. Form 1041, Schedule D, Part I, lines 1, 2 and 3.

Line 12. Long-Term Capital Gains on Collectibles and Pre-1996 Installment Sales

Enter the total amount of long-term capital gains on collectibles and pre-1996 installment sales from Massachusetts Schedule D, line 13, columns A, B, C, D, E and F.

Line 13. Gain on Sale of Business Property

Enter from U.S. Form 4797 the amount of gain from the sale, exchange or involuntary conversion of property used in a trade or business and held for one year or less. Be sure to attach U.S. Form 4797 with your return.

Line 14. Gross Interest, Dividends and Certain Capital Gains

Add lines 10, 11, 12 and 13.

Line 15. Allowable Deductions From Your Trade or Business

Enter the amount from Massachusetts Schedule C-2, line 10 if you qualify for an excess trade or business deduction. See the instructions for Massachusetts Schedule C-2.

Line 16. Subtotal Interest, Dividends and Certain Capital Gains

Subtract line 15 from line 14.

Line 17. Short-Term Capital Losses

Enter the total short-term capital losses included in U.S. Form 1041 Schedule D, Part I, lines 1, 2 and 3.

Line 18. Loss on Sale of Business Property

Enter from U.S. Form 4797 the amount of loss from the sale, exchange or involuntary conversion of property used in a trade or business and held for one year or less. Be sure to enclose U.S. Form 4797 with your return.

Line 19. Prior Years Short-Term Unused Losses

You may use short-term losses accumulated in the previous taxable years beginning after 1981 in the computation of short-term gain or loss for the current year. Enter here the short-term loss amount from your 2000 Massachusetts Schedule B, line 31.

Line 20. Subtotal Interest and Dividends and Certain Capital Gains and Losses

Combine lines 16, 17, 18 and 19. If a positive amount, omit line 21 and go to line 22. If the total is a loss and any amount in Schedule D, line 18, columns A, B, C, D, E or F is a positive amount, complete the Short-Term Capital Losses Applied Against Long-Term Capital Gains Worksheet for Schedule B, Line 21 and Schedule D, Line 19 on pages 12-13. If Schedule B, line 20 is a loss and all the amounts in Schedule D, line 16, columns A, B, C, D, E and F are "0" or less, omit lines 21-28, enter "0" in lines 29 and 30, and enter the amount from line 20 on line 31.

Line 21. Short-Term Capital Losses Applied Against Long-Term Capital Gains

Complete the Short-Term Capital Losses Applied Against Long-Term Capital Gains Worksheet for Schedule B, Line 21 and Schedule D, Line 19 on pages 12-13 only if Schedule B, line 20 is a loss and any amount in Schedule D, line 18, columns A, B, C, D, E or F is a positive amount.

Line 22. Subtotal Interest and Dividends and Certain Capital Gains and Losses

Combine line 20 and line 21. If the total is a loss, omit lines 23-28, enter "0" on lines 29 and 30, and enter the amount from line 22 on line 31. If line 22 is a positive amount and any amount in Schedule D, line 16, columns A, B, C, D, E or F is a loss, complete the Long-Term Capital Losses Applied Against Short-Term Capital Gains Worksheet for Schedule B, Line 23 and Schedule D, Line 17 on page 13. If line 22 is a positive amount and any amount in Schedule D, line 16, columns A, B, C, D, E or F is "0" or greater, omit line 23 and enter the amount from line 22 in line 24.

Line 23. Long-Term Capital Losses Applied Against Short-Term Capital Gains

Complete the Long-Term Capital Losses Applied Against Short-Term Capital Gains Worksheet for Schedule B, Line 23 and Schedule D, Line 17 on page 13 only if Schedule B, line 22 is a positive amount and any amount in Schedule D, line 16, columns A, B, C, D, E or F is a loss.

Line 24. Net Interest and Dividends and Certain Capital Gains and Losses

Subtract line 23 from line 22. If line 24 is "0," omit lines 25-28 and enter "0" in lines 29, 30 and 31.

Line 25. Long-Term Gain Deduction

If there is no entry in line 12, enter "0." If line 12 shows a gain, enter 50% of line 12 less 50% of losses in lines 17, 18, 19 and 23, but not less than "0."

Line 26. Adjusted Gross Interest, Dividends and Certain Capital Gains

Subtract line 25 from line 24. Not less than "0."

Line 27. Expense and Fiduciary Compensation Deduction

Enter the allowable portion of expenses as computed on Schedule H, Part 1, line 5, and compensation as computed on Schedule H, Part 2, line 18. Attach a copy of Schedule H.

Line 28. Taxable Interest, Dividends and Certain Capital Gains

Subtract line 27 from line 26. Not less than "0."

Line 29. Interest and Dividends Taxable at 5.6%

If line 28 is greater than or equal to line 10, enter the amount from line 10 here and on Form 2, line 24. If line 28 is less than line 10, enter the amount from line 28 here and on Form 2, line 24.

Line 30. Taxable 12% Capital Gains

Subtract line 29 from line 28. Not less than "0." Enter the result here and on Form 2, line 32.

Line 31. Available Short-Term Losses for Carryover in 2002

Enter the amount from line 22, only if it is a loss. If line 22 is not completed, enter the amount from line 20, only if it is a loss.

Note: Before completing the Short-Term Capital Losses Applied Against Long-Term Capital Gains Worksheet for Schedule B, Line 21 and Schedule D, Line 19, or the Long-Term Capital Losses Applied Against Short-Term Capital Gains Worksheet for Schedule B, Line 23 and Schedule D, Line 17, you must have completed Schedule B, line 20 and Schedule D, line 16.

Short-Term Capital Losses Applied Against Long-Term Capital Gains Worksheet for Schedule B, Line 21 and Schedule D, Line 19. Complete only if Schedule B, line 20 is a loss and any amount in Schedule D, line 18, column A, B, C, D, E or F is a positive amount. Enter all losses as positive amounts.

- 1. Enter amount from Schedule B, line 20 as a positive amount.
- 2. Enter any gain from Schedule D, line 18, column A. Otherwise, enter "0".
- 3. If line 1 is smaller than or equal to line 2, enter line 1 here and in Schedule D, line 19, column A. If line 1 is larger than line 2, enter line 2 here and in Schedule D, line 19, column A.
- 4. Subtract line 3 from line 1. Enter result here. If "0," omit lines 5 through 18 and complete line 19. Otherwise, complete lines 5 through 7.
- 5. Enter any gain from Schedule D, line 18, column B. Otherwise, enter "0".

Worksheet continues next page ...

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- 6. If line 4 is smaller than or equal to line 5, enter line 4 here and in Schedule D, line 19, column B. If line 4 is larger than line 5, enter line 5 here and in Schedule D, line 19, column B.
- 7. Subtract line 6 from line 4. Enter result here. If "0," omit lines 8 through 18 and complete line 19. Otherwise, complete lines 8 through 10.
- 8. Enter any gain from Schedule D, line 18, column C. Otherwise, enter "0".
- 9. If line 7 is smaller than or equal to line 8, enter line 7 here and in Schedule D, line 19, column C. If line 7 is larger than line 8, enter line 8 here and in Schedule D, line 19, column C.
- 10. Subtract line 9 from line 7. Enter result here. If "0," omit lines 11 through 18 and complete line 19. Otherwise, complete lines 11 through 13.
- 11. Enter any gain from Schedule D, line 18, column D. Otherwise, enter "0".
- 12. If line 10 is smaller than or equal to line 11, enter line 10 here and in Schedule D, line 19, column D. If line 10 is larger than line 11, enter line 11 here and in Schedule D, line 19, column D.
- 13. Subtract line 12 from line 10. Enter result here. If "0," omit lines 14 through 18 and complete line 19. Otherwise, complete lines 14 through 16.
- 14. Enter any gain from Schedule D, line 18, column E. Otherwise, enter "0".
- 15. If line 13 is smaller than or equal to line 14, enter line 13 here and in Schedule D, line 19, column E. If line 13 is larger than line 14, enter line 14 here and in Schedule D, line 19, column E.
- 16. Subtract line 15 from line 13. Enter result here. If "0," omit lines 17 and 18 and complete line 19. Otherwise, complete lines 17 through 19.
- 17. Enter any gain from Schedule D, line 18, column F. Otherwise, enter "0".
- 18. If line 16 is smaller than or equal to line 17, enter line 16 here and in Schedule D, line 19, column F. If line 16 is larger than line 17, enter line 17 here and in Schedule D, line 19, column F.
- 19. Add items 3, 6, 9, 12, 15 and 18. Enter the result here and in Schedule B, line 21.

Long-Term Capital Losses Applied Against Short-Term Capital Gains Worksheet for Schedule B, Line 23 and Schedule D, Line 17. Complete only if Schedule B, line 22 is a positive amount and any amount in Schedule D, line 16, column A, B, C, D, E or F is a loss. Enter all losses as positive amounts.

- 1. Enter amount from Schedule B, line 22.
- 2. Enter any loss from Schedule D, line 16, column A as a positive amount. Otherwise, enter "0".
- 3. If line 1 is smaller than or equal to line 2, enter line 1 here and in Schedule D, line 17, column A. If line 1 is larger than line 2, enter line 2 here and in Schedule D, line 17, column A.
- 4. Subtract line 3 from line 1. Enter result here. If "0," omit lines 5 through 18 and complete line 19. Otherwise, complete lines 5 through 7.
- 5. Enter any loss from Schedule D, line 16, column B as a positive amount. Otherwise, enter "0".

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- 6. If line 4 is smaller than or equal to line 5, enter line 4 here and in Schedule D, line 17, column B. If line 4 is larger than line 5, enter line 5 here and in Schedule D, line 17, column B.
- 7. Subtract line 6 from line 4. Enter result here. If "0," omit lines 8 through 18 and complete line 19. Otherwise, complete lines 8 through 10.
- 8. Enter any loss from Schedule D, line 16, column C as a positive amount. Otherwise, enter "0".
- 9. If line 7 is smaller than or equal to line 8, enter line 7 here and in Schedule D, line 17, column C. If line 7 is larger than line 8, enter line 8 here and in Schedule D, line 17, column C.
- 10. Subtract line 9 from line 7. Enter result here. If "0," omit lines 11 through 18 and complete line 19. Otherwise, complete lines 11 through 13.
- 11. Enter any loss from Schedule D, line 16, column D as a positive amount. Otherwise, enter "0".
- 12. If line 10 is smaller than or equal to line 11, enter line 10 here and in Schedule D, line 17, column D. If line 10 is larger than line 11, enter line 11 here and in Schedule D, line 17, column D.
- 13. Subtract line 12 from line 10. Enter result here. If "0," omit lines 14 through 18 and complete line 19. Otherwise, complete lines 14 through 16.
- 14. Enter any loss from Schedule D, line 16, column E as a positive amount. Otherwise, enter "0".
- 15. If line 13 is smaller than or equal to line 14, enter line 13 here and in Schedule D, line 17, column E. If line 13 is larger than line 14, enter line 14 here and in Schedule D, line 17, column E.
- 16. Subtract line 15 from line 13. Enter result here. If "0," omit lines 17 and 18 and complete line 19. Otherwise, complete lines 17 through 19.
- 17. Enter any loss from Schedule D, line 16, column F as a positive amount. Otherwise, enter "0".
- 18. If line 16 is smaller than or equal to line 17, enter line 16 here and in Schedule D, line 17, column F. If line 16 is larger than line 17, enter line 17 here and in Schedule D, line 17, column F.
- 19. Add items 3, 6, 9, 12, 15 and 18. Enter the result here and in Schedule B, line 23.

Schedule D. Capital Gains and Losses — Long-Term Capital Gains and Losses Excluding Collectibles

You must complete Massachusetts Schedule D if you had a long-term gain or loss from the sale or exchange of capital assets or from similar transactions which are granted capital gain or loss treatment on your U.S. return or, if you had capital gain distributions. Include gains from all property, wherever located. Long-term capital gains are gains on the sale or exchange of capital assets that have been held for more than one year on the date of the sale or exchange. Long-term capital losses are losses on the sale or exchange of capital assets that have been held for more than one year on the date of the sale or exchange. Holding periods will be deemed not to have begun prior to January 1, 1995.

For tax year 2001 the applicable tax rates are 5% if the capital asset was held for more than one year but not more than two years (column A), and 4% if the capital asset was held more than two years but not more than three years (column B), and 3% if the capital asset was held more than three years but not more than four years (col-

umn C), and 2% if the capital asset was held more than four years but not more than five years (column D) and 1% if the capital asset was held more than five years but not more than six years (column E) and 0% if the capital asset was held more than six years (column F).

“Capital gain income” is defined as gain from the sale or exchange of a capital asset. The definition of “capital asset” has been expanded to include: (1) an asset which is a capital asset for federal income tax purposes or (2) property that is used in a trade or business within the meaning of IRC section 1231(b) without regard to the holding period as defined in said section.

Significant differences between the U.S. and Massachusetts capital gain provisions are:

- Upon the sale of stock of an S corporation, the federal basis must be modified according to Massachusetts Income Tax Regulation, 830 CMR 62.17A.1; and
- Massachusetts has adopted basis adjustment rules to take into account differences between Massachusetts and federal tax laws. For more information regarding basis adjustment rules, see TIR 88-7 or the *Guide to Filing Your 2001 Massachusetts Income Taxes*.

Net ordinary losses that are itemized deductions on U.S. Schedule A are not allowable.

Installment Sales

If a sale was treated as an installment sale for U.S. income tax purposes, it may be treated the same way on your Massachusetts income tax return. If you wish to report a sale on your Massachusetts return as an installment sale, you must apply in writing to the Department of Revenue’s Installment Sales Unit. The Commissioner of Revenue must approve your application to report the sale on the installment basis in Massachusetts before you file your return, and appropriate security must be posted. An explanatory statement must be enclosed with each return for the life of the installment sale. For further information contact the Installment Sales Unit at (617) 887-6950.

Line 1. Long-Term Capital Gains and Losses

Enter in column A the gain or loss included in U.S. Form 1041, Schedule D, line 6, column f, from the sale or exchange of assets held more than one year but not more than two years. Enter in column B the gain or loss included in U.S. Form 1041, Schedule D, line 6, column f, from the sale or exchange of assets held more than two years but not more than three years. Enter in column C the gain or loss included in U.S. Form 1041, Schedule D, line 6, column f, from the sale or exchange of assets held more than three years but not more than four years. Enter in column D the gain or loss included in U.S. Form 1041, Schedule D, line 6, column f, from the sale or exchange of assets held more than four years but not more than five years. Enter in column E the gain or loss included in U.S. Form 1041, Schedule D, line 6, column f, from the sale or exchange of assets held more than five years but not more than six years. Enter in column F the gain or loss included in U.S. Form 1041, Schedule D, line 6, column f, from the sale or exchange of assets held more than six years.

Line 2. Additional Long-Term Capital Gains and Losses

Enter in column A the gain or loss included in U.S. Form 1041, Schedule D, line 7, column f, from the sale or exchange of assets held more than one year but not more than two years. Enter in column B the gain or loss included in U.S. Form 1041, Schedule D,

line 7, column f, from the sale or exchange of assets held more than two years but not more than three years. Enter in column C the gain or loss included in U.S. Form 1041, Schedule D, line 7, column f, from the sale or exchange of assets held more than three years but not more than four years. Enter in column D the gain or loss included in U.S. Form 1041, Schedule D, line 7, column f, from the sale or exchange of assets held more than four years but not more than five years. Enter in column E the gain or loss included in U.S. Form 1041, Schedule D, line 7, column f, from the sale or exchange of assets held more than five years but not more than six years. Enter in column F the gain or loss included in U.S. Form 1041, Schedule D, line 7, column f, from the sale or exchange of assets held more than six years.

Line 3. Net Long-Term Gain or Loss from Partnerships, S Corporations, Estates and Trusts

Enter in column A the gain or loss included in U.S. Form 1041, Schedule D, line 8, column f, from the sale or exchange of assets held more than one year but not more than two years. Enter in column B the gain or loss included in U.S. Form 1041, Schedule D, line 8, column f, from the sale or exchange of assets held more than two years but not more than three years. Enter in column C the gain or loss included in U.S. Form 1041, Schedule D, line 8, column f, from the sale or exchange of assets held more than three years but not more than four years. Enter in column D the gain or loss included in U.S. Form 1041, Schedule D, line 8, column f, from the sale or exchange of assets held more than four years but not more than five years. Enter in column E the gain or loss included in U.S. Form 1041, Schedule D, line 8, column f, from the sale or exchange of assets held more than five years but not more than six years. Enter in column F the gain or loss included in U.S. Form 1041, Schedule D, line 8, column f, from the sale or exchange of assets held more than six years.

If a partnership, S corporation, estate or trust does not report capital gains in a manner that allows you to determine the amounts attributable to assets held more than two years, report the amount in column A.

Line 4. Capital Gain Distributions

Enter in column A the capital gain distributions reported to you by a mutual fund or real estate investment trust included in U.S. Form 1041, Schedule D, line 9, column f, that were from the sale or exchange of assets held more than one year but not more than two years. Enter in column B the capital gain distributions reported to you by a mutual fund or real estate investment trust included in U.S. Form 1041, Schedule D, line 9, column f, that were from the sale or exchange of assets held more than two years but not more than three years. Enter in column C the capital gain distributions reported to you by a mutual fund or real estate investment trust included in U.S. Form 1041, Schedule D, line 9, column f, that were from the sale or exchange of assets held more than three years but not more than four years. Enter in column D the capital gain distributions reported to you by a mutual fund or real estate investment trust included in U.S. Form 1041, Schedule D, line 9, column f, that were from the sale or exchange of assets held more than four years but not more than five years. Enter in column E the capital gain distributions reported to you by a mutual fund or real estate investment trust included in U.S. Form 1041, Schedule D, line 9, column f, that were from the sale or exchange of assets held more than five years but not more than six years. Enter in column F the capital gain distributions reported to you by a mutual fund or real estate investment trust included in U.S. Form 1041, Schedule D, line 9, column f, that were from the sale or exchange of assets held more than six years.

If a mutual fund or real estate investment trust does not report capital gain distributions in a manner that allows you to determine the amounts attributable to assets held more than two years, report the amount in column A.

Line 5. Gain From U.S. Form 4797

Enter in column A the gain or loss included in U.S. Form 1041, Schedule D, line 10, column f, from the sale or exchange of assets held more than one year but not more than two years. Enter in column B the gain or loss included in U.S. Form 1041, Schedule D, line 10, column f, from the sale or exchange of assets held more than two years but not more than three years. Enter in column C the gain or loss included in U.S. Form 1041, Schedule D, line 10, column f, from the sale or exchange of assets held more than three years but not more than four years. Enter in column D the gain or loss included in U.S. Form 1041, Schedule D, line 10, column f, from the sale or exchange of assets held more than four years but not more than five years. Enter in column E the gain or loss included in U.S. Form 1041, Schedule D, line 10, column f, from the sale or exchange of assets held more than five years but not more than six years. Enter in column F the gain or loss included in U.S. Form 1041, Schedule D, line 10, column f, from the sale or exchange of assets held more than six years.

Line 6. Massachusetts Long-Term Capital Gains and Losses Included in U.S. Form 4797, Part II

Enter amounts included in U.S. Form 4797, Part II treated as capital gains or losses for Massachusetts purposes (not included in lines 1–5 above). These include ordinary gains from the sales of Section 1231 property, recapture amounts under Sections 1245 and 1250, Section 1244 losses and the loss on the sale, exchange or involuntary conversion of property used in a trade or business.

Enter in column A the gain or loss included in U.S. Form 4797, Part II from the sale or exchange of assets held more than one year but not more than two years. Enter in column B the gain or loss included in U.S. Form 4797, Part II from the sale or exchange of assets held more than two years but not more than three years. Enter in column C the gain or loss included in U.S. Form 4797, Part II from the sale or exchange of assets held more than three years but not more than four years. Enter in column D the gain or loss included in U.S. Form 4797, Part II from the sale or exchange of assets held more than four years but not more than five years. Enter in column E the gain or loss included in U.S. Form 4797, Part II from the sale or exchange of assets held more than five years but not more than six years. Enter in column F the gain or loss included in U.S. Form 4797, Part II from the sale or exchange of assets held more than six years.

Line 7. Carryover Losses from Previous Years

If you have a carryover loss from a prior year, enter in line 7 the amount of carryover losses from your 2000 Massachusetts Schedule D, line 28.

Line 8. Subtotal

Combine lines 1 through 7, column A and enter the result in line 8, column A. Combine lines 1 through 7, column B and enter the result in line 8, column B. Combine lines 1 through 7, column C and enter the result in line 8, column C. Combine lines 1 through 7, column D and enter the result in line 8, column D. Combine lines 1 through 7, column E and enter the result in line 8, column E. Combine lines 1 through 7, column F and enter the result in line 8, column F.

Line 9. Net Gains or Losses Taxed to Other Fiduciaries

Enter in line 9 only gains or losses that are taxed directly on Massachusetts Fiduciary Return, Form 2, or other fiduciaries of which this entity is a beneficiary. Only exclude the amount if it is included in lines 1 through 7 of Schedule D. Enter the tax identification number of the other entity on an additional sheet of paper.

Note: Do not enter gains or losses from any grantor-type trust or from an estate or trust that is not taxed in Massachusetts.

Line 10. Exclude/Subtract Line 9 from Line 8

Exclude/subtract line 9 from line 8. If line 9 is a loss, add such loss as a positive number to the amounts recorded in line 8.

Line 11. Differences

Enter any differences between the gains or losses reportable for Massachusetts tax purposes and the U.S. gains or losses reported on Schedule D and U.S. Form 4797, Part II. Enter the amount of common trust fund gain included in line 10. This amount would have been carried over from your U.S. Form 1041, Schedule D, and is properly reported in Schedule D-1, line 1. Differences include:

- capital gains or losses that occurred while the taxpayer was legally domiciled in another state or country during the taxable year;
- capital gains or losses from transactions reported as installment sales for U.S. income tax purposes but not for Massachusetts; and
- Massachusetts has adopted basis adjustment rules to take into account differences between Massachusetts and U.S. tax laws.

Gains from pre-1996 installment sales classified as ordinary income and that are included on Massachusetts Schedule D, line 10 should be reported on Massachusetts Schedule D, line 11 (“Differences”). The amount of such gain classified as ordinary income should then be reported on Form 2, line 17 (“Other income”) and identified as “2001 gain from pre-1996 installment sale.”

Any entry in line 11 must be clearly explained in an attached statement.

Line 12. Massachusetts 2001 Gains or Losses

Exclude/subtract line 11 from line 10.

Line 13. Long-Term Gains on Collectibles

Enter in line 13, column A the amount of long-term gains on collectibles and pre-1996 installment sales classified as capital gain income for Massachusetts purposes that were from the sale or exchange of assets held for more than one year but not more than two years and that are included above. Enter in line 13, column B the amount of long-term gains on collectibles and pre-1996 installment sales classified as capital gain income for Massachusetts purposes that were from the sale or exchange of assets held for more than two years but not more than three years and that are included above. Enter in line 13, column C the amount of long-term gains on collectibles and pre-1996 installment sales classified as capital gain income for Massachusetts purposes that were from the sale or exchange of assets held for more than three years but not more than four years and that are included above. Enter in line 13, column D the amount of long-term gains on collectibles and pre-1996 installment sales classified as capital gain income for Massachusetts purposes that were from the sale or exchange of assets held for more than four years but not more than five years and that are included above. Enter in line 13, column E the amount of long-term gains on collectibles and pre-1996 installment sales classified as capital gain

income for Massachusetts purposes that were from the sale or exchange of assets held for more than five years but not more than six years and that are included above. Enter in line 13, column F the amount of long-term gains on collectibles and pre-1996 installment sales classified as capital gain income for Massachusetts purposes that were from the sale or exchange of assets held for more than six years and that are included above. Add: line 13, column A; line 13 column B; line 13, column C; line 13, column D; line 13, column E; and line 13, column F and enter the result in Schedule B, line 12.

Gains from pre-1996 installment sales are classified as either capital gains or ordinary income under the Massachusetts law in effect on the date the sale or exchange took place. Gains from pre-1996 installment sales that are classified as capital gains should be reported as 12% income on Massachusetts Schedule B. If the asset was held for more than one year when it was sold, the gain will be eligible for a 50% long-term deduction.

Gains from pre-1996 installment sales classified as ordinary income and that are included on Massachusetts Schedule D, line 10 should be reported on Massachusetts Schedule D, line 11 ("Differences"). The amount of such gain classified as ordinary income should then be reported on Form 2, line 17 ("Other income") and identified as "2000 gain from pre-1996 installment sale."

Collectibles are defined as any capital asset that is a collectible within the meaning of Internal Revenue Code section 408(m), as amended and in effect for the taxable year, including works of art, rugs, antiques, metals, gems, stamps, alcoholic beverages, certain coins, and any other items treated as collectibles for federal tax purposes.

Line 14. Subtotal

Subtract line 13, column A from line 12, column A and enter the result in line 14, column A. Subtract line 13, column B from line 12, column B and enter the result in line 14, column B. Subtract line 13, column C from line 12, column C and enter the result in line 14, column C. Subtract line 13, column D from line 12, column D and enter the result in line 14, column D. Subtract line 13, column E from line 12, column E and enter the result in line 14, column E. Subtract line 13, column F from line 12, column F and enter the result in line 14, column F.

If any amount in Schedule D, line 14, columns A, B, C, D, E or F is a gain and any amount in Schedule D, line 14, columns A, B, C, D, E or F is a loss, complete the Long-Term Capital Losses Applied Against Long-Term Capital Gains Worksheet for Schedule D, Line 15 on pages 16–19.

If any amount in Schedule D, line 14 is a gain, no other amount in Schedule D, line 14 is a loss, and Schedule B, line 22 is a positive amount, omit Schedule D, lines 15–19 and enter the amount from Schedule D, line 14 in Schedule D, line 20.

If any amount in Schedule D, line 14 is a loss, no other amount in Schedule D, line 14 is a gain, and Schedule B, line 22 is a positive amount, omit Schedule D, line 15, enter the amount from Schedule D, line 14 in Schedule D, line 16 and complete the Long-Term Capital Losses Applied Against Short-Term Capital Gains Worksheet for Schedule B, Line 23 and Schedule D, Line 17 on page 13.

If any amount in Schedule D, line 14 is a gain, no other amount in Schedule D, line 14 is a loss, and Schedule B, line 22 is a loss, omit Schedule D, lines 15–17, enter the amount from Schedule D, line 14 on Schedule D, line 18 and complete the Short-Term Capital Losses Applied Against Long-Term Capital Gains Worksheet for Schedule B, Line 21 and Schedule D, Line 19 on pages 12–13.

If any amount in Schedule D, line 14 is a loss, no other amount in Schedule D, line 14 is a gain, and Schedule B, line 22 is a loss, omit Schedule D, lines 15–17, enter the amount from Schedule D, line 14 in Schedule D, line 18, omit Schedule D, lines 19–27, enter the amount from Schedule D, line 18 in Schedule D, line 28, and enter "0" on Form 2, line 39.

Line 15. Long-Term Capital Loss Applied Against Long-Term Capital Gains

Complete the Long-Term Capital Losses Applied Against Long-Term Capital Gains Worksheet for Schedule D, Line 15 only if any amount in Schedule D, line 14, columns A, B, C, D, E or F is a gain and any amount in Schedule D, line 14, columns A, B, C, D, E or F is a loss.

This worksheet was designed for the netting of long-term gains and losses. First, gains and losses within each holding period are netted. For example, 5% gains are applied against 5% losses, 4% gains are applied against 4% losses, 3% gains are applied against 3% losses, 2% gains are applied against 2% losses, 1% gains are applied against 1% losses and 0% gains are applied against 0% losses. Then, any net losses within a particular holding period can be applied against net gains within other holding periods, beginning with the highest tax rate and applying any remaining losses against the next highest tax rate. For example, a 3% loss is first applied to 5% gains, any remaining loss is applied to 4% gains, and any loss still remaining then is applied against 2% gains.

If you need more information on how to net long-term gains against long-term losses, visit DOR's website at www.mass.gov/dor.

Long-Term Capital Losses Applied Against Long-Term Capital Gains Worksheet for Schedule D, Line 15. Complete only if any amount in Schedule D, line 14, columns A, B, C, D, E or F is a gain and any amount in Schedule D, line 14, columns A, B, C, D, E or F is a loss.

Part 1. Complete only if you have a gain in Schedule D, line 14, column A. Otherwise, enter "0" in lines 1–15 and go to Part 2.

1. Enter any gain from Schedule D, line 14, column A.
2. Enter any loss from Schedule D, line 14, column B as positive figure. If Schedule D, line 14, column B is "0" or greater, enter "0"
3. If line 1 is smaller than or equal to line 2, enter line 1 here. If line 1 is larger than line 2, enter line 2 here.
4. Subtract line 3 from line 1. Enter result here
5. If line 4 is "0," enter "0" in lines 5–15 and go to Part 2. If line 4 is greater than "0," enter any loss from Schedule D, line 14, column C as a positive figure. If Schedule D, line 14, column C is "0" or greater, enter "0".....
6. If line 4 is smaller than or equal to line 5, enter line 4 here. If line 4 is larger than line 5, enter line 5 here.
7. Subtract line 6 from line 4. Enter result here
8. If line 7 is "0," enter "0" in lines 8–15 and go to Part 2. If line 7 is greater than "0," enter any loss from Schedule D, line 14, column D as a positive figure. If Schedule D, line 14, column D is "0" or greater, enter "0".....
9. If line 7 is smaller than or equal to line 8, enter line 7 here. If line 7 is larger than line 8, enter line 8 here.
10. Subtract line 9 from line 7. Enter result here

Worksheet continues next page ...

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- 11. If line 10 is "0," enter "0" in lines 11–15 and go to Part 2. If line 10 is greater than "0," enter any loss from Schedule D, line 14, column E as a positive figure. If Schedule D, line 14, column E is "0" or greater, enter "0" _____
- 12. If line 10 is smaller than or equal to line 11, enter line 10 here. If line 10 is larger than line 11, enter line 11 here _____
- 13. Subtract line 12 from line 10. Enter result here _____
- 14. If line 13 is "0," enter "0" in lines 14 and 15 and go to Part 2. If line 13 is greater than "0," enter any loss from Schedule D, line 14, column F as a positive figure. If Schedule D, line 14, column F is "0" or greater, enter "0" _____
- 15. If line 13 is smaller than or equal to line 14, enter line 13 here. If line 13 is larger than line 14, enter line 14 here _____

Part 2. Complete only if you have a gain in Schedule D, line 14, column B. Otherwise, enter "0" in lines 16–38 and go to Part 3.

- 16. Enter any gain from Schedule D, line 14, column B. _____
- 17. Enter any loss from Schedule D, line 14, column A as a positive figure. If Schedule D, line 14, column A is "0" or greater, enter "0" _____
- 18. If line 16 is smaller than or equal to line 17, enter line 16 here. If line 16 is larger than line 17, enter line 17 here _____
- 19. Subtract line 18 from line 16. Enter result here _____
- 20. If line 19 is "0," enter "0" in lines 20–38 and go to Part 3. If line 19 is greater than "0," enter any loss from Schedule D, line 14, column C as a positive figure. If Schedule D, line 14, column C is "0" or greater, enter "0" _____
- 21. Enter the amount from line 6 _____
- 22. Subtract line 21 from line 20. Enter result here _____
- 23. If line 19 is smaller than or equal to line 22, enter line 19 here. If line 19 is larger than line 22, enter line 22 here _____
- 24. Subtract line 23 from line 19. Enter result here _____
- 25. If line 24 is "0," enter "0" in lines 25–38 and go to Part 3. If line 24 is greater than "0," enter any loss from Schedule D, line 14, column D as a positive figure. If Schedule D, line 14, column D is "0" or greater, enter "0" _____
- 26. Enter the amount from line 9 _____
- 27. Subtract line 26 from line 25. Enter result here _____
- 28. If line 24 is smaller than or equal to line 27, enter line 24 here. If line 24 is larger than line 27, enter line 27 here _____
- 29. Subtract line 28 from line 24. Enter result here _____
- 30. If line 29 is "0," enter "0" in lines 30–38 and go to Part 3. If line 29 is greater than "0," enter any loss from Schedule D, line 14, column E as a positive figure. If Schedule D, line 14, column E is "0" or greater, enter "0" _____
- 31. Enter the amount from line 12 _____
- 32. Subtract line 31 from line 30. Enter result here _____
- 33. If line 29 is smaller than or equal to line 32, enter line 29 here. If line 29 is larger than line 32, enter line 32 here _____
- 34. Subtract line 33 from line 29. _____
- 35. If line 34 is "0," enter "0" in lines 35–38 and go to Part 3. If line 34 is greater than "0," enter any loss from Schedule D, line 14, column F as a positive figure. If Schedule D, line 14, column F is "0" or greater, enter "0" _____
- 36. Enter the amount from line 15 _____
- 37. Subtract line 36 from line 35. Enter result here _____

Worksheet continues next column ...

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- 38. If line 34 is smaller than or equal to line 37, enter line 34 here. If line 34 is larger than line 37, enter line 37 here _____

Part 3. Complete only if you have a gain in Schedule D, line 14, column C. Otherwise, enter "0" in lines 39–63 and go to Part 4.

- 39. Enter any gain from Schedule D, line 14, column C. _____
- 40. Enter any loss from Schedule D, line 14, column A as a positive figure. If Schedule D, line 14, column A is "0" or greater, enter "0" _____
- 41. Enter the amount from line 18 _____
- 42. Subtract line 41 from line 40. Enter result here _____
- 43. If line 39 is smaller than or equal to line 42, enter line 39 here. If line 39 is larger than line 42, enter line 42 here _____
- 44. Subtract line 43 from line 39. Enter result here _____
- 45. If line 44 is "0," enter "0" in lines 45–63 and go to Part 4. If line 44 is greater than "0," enter any loss from Schedule D, line 14, column B as a positive figure. If Schedule D, line 14, column B is "0" or greater, enter "0" _____
- 46. Enter the amount from line 3 _____
- 47. Subtract line 46 from line 45. Enter result here _____
- 48. If line 44 is smaller than or equal to line 47, enter line 44 here. If line 44 is larger than line 47, enter line 47 here _____
- 49. Subtract line 48 from line 44. Enter result here _____
- 50. If line 49 is "0," enter "0" in lines 50–63 and go to Part 4. If line 49 is greater than "0," enter any loss from Schedule D, line 14, column D as a positive figure. If Schedule D, line 14, column D is "0" or greater, enter "0" _____
- 51. Add line 9 and line 28. Enter result here _____
- 52. Subtract line 51 from line 50. Enter result here _____
- 53. If line 49 is smaller than or equal to line 52, enter line 49 here. If line 49 is larger than line 52, enter line 52 here _____
- 54. Subtract line 53 from line 49. Enter result here _____
- 55. If line 54 is "0," enter "0" in lines 55–63 and go to Part 4. If line 54 is greater than "0," enter any loss from Schedule D, line 14, column E as a positive figure. If Schedule D, line 14, column E is "0" or greater, enter "0" _____
- 56. Add line 12 and line 33. Enter result here _____
- 57. Subtract line 56 from line 55. Enter result here _____
- 58. If line 54 is smaller than or equal to line 57, enter line 54 here. If line 54 is larger than line 57, enter line 57 here _____
- 59. Subtract line 58 from line 54. Enter result here _____
- 60. If line 59 is "0," enter "0" in lines 60–63 and go to Part 4. If line 59 is greater than "0," enter any loss from Schedule D, line 14, column F as a positive figure. If Schedule D, line 14, column F is "0" or greater, enter "0" _____
- 61. Add line 15 and line 38 _____
- 62. Subtract line 61 from line 60. Enter result here _____
- 63. If line 59 is smaller than or equal to line 62, enter line 59 here. If line 59 is larger than line 62, enter line 62 here _____

Part 4. Complete only if you have a gain in Schedule D, line 14, column D. Otherwise, enter "0" in lines 64–88 and go to Part 5.

- 64. Enter any gain from Schedule D, line 14, column D. _____

Worksheet continues next page ...

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- 65. Enter any loss from Schedule D, line 14, column A as a positive figure. If Schedule D, line 14, column A is "0" or greater, enter "0"
- 66. Add line 18 and line 43. Enter result here
- 67. Subtract line 66 from line 65. Enter result here
- 68. If line 64 is smaller than or equal to line 67, enter line 64 here. If line 64 is larger than line 67, enter line 67 here
- 69. Subtract line 68 from line 64. Enter result here
- 70. If line 69 is "0," enter "0" in lines 70–88 and go to Part 5. If line 69 is greater than "0," enter any loss from Schedule D, line 14, column B as a positive figure. If Schedule D, line 14, column B is "0" or greater, enter "0"
- 71. Add line 3 and line 48. Enter result here
- 72. Subtract line 71 from line 70. Enter result here
- 73. If line 69 is smaller than or equal to line 72, enter line 69 here. If line 69 is larger than line 72, enter line 72 here
- 74. Subtract line 73 from line 69. Enter result here
- 75. If line 74 is "0," enter "0" in lines 75–88 and go to Part 5. If line 74 is greater than "0," enter any loss from Schedule D, line 14, column C as a positive figure. If Schedule D, line 14, column C is "0" or greater, enter "0"
- 76. Add line 6 and line 23. Enter result here
- 77. Subtract line 76 from line 75. Enter result here
- 78. If line 74 is smaller than or equal to line 77, enter line 74 here. If line 74 is larger than line 77, enter line 77 here
- 79. Subtract line 78 from line 74. Enter result here
- 80. If line 79 is "0," enter "0" in lines 80–88 and go to Part 5. If line 79 is greater than "0," enter any loss from Schedule D, line 14, column E as a positive figure. If Schedule D, line 14, column E is "0" or greater, enter "0"
- 81. Add lines 12, 33 and 58. Enter result here
- 82. Subtract line 81 from line 80. Enter result here
- 83. If line 79 is smaller than or equal to line 82, enter line 79 here. If line 79 is larger than line 82, enter line 82 here
- 84. Subtract line 83 from line 79. Enter result here
- 85. If line 84 is "0," enter "0" in lines 85–88 and go to Part 5. If line 84 is greater than "0," enter any loss from Schedule D, line 14, column F as a positive figure. If Schedule D, line 14, column F is "0" or greater, enter "0"
- 86. Add lines 15, 38 and 63. Enter result here
- 87. Subtract line 86 from line 85. Enter result here
- 88. If line 84 is smaller than or equal to line 87, enter line 84 here. If line 84 is larger than line 87, enter line 87 here

Part 5. Complete only if you have a gain in Schedule D, line 14, column E. Otherwise, enter "0" in lines 89–113 and go to Part 6.

- 89. Enter any gain from Schedule D, line 14, column E
- 90. Enter any loss from Schedule D, line 14, column A as a positive figure. If Schedule D, line 14, column A is "0" or greater, enter "0"
- 91. Add lines 18, 43 and 68. Enter result here
- 92. Subtract line 91 from line 90. Enter result here
- 93. If line 89 is smaller than or equal to line 92, enter line 89 here. If line 89 is larger than line 92, enter line 92 here
- 94. Subtract line 93 from line 89. Enter result here

Worksheet continues next column ...

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- 95. If line 94 is "0," enter "0" in lines 95–113 and go to Part 6. If line 94 is greater than "0," enter any loss from Schedule D, line 14, column B as a positive figure. If Schedule D, line 14, column B is "0" or greater, enter "0"
- 96. Add lines 3, 48 and 73. Enter result here
- 97. Subtract line 96 from line 95. Enter result here
- 98. If line 94 is smaller than or equal to line 97, enter line 94 here. If line 94 is larger than line 97, enter line 97 here
- 99. Subtract line 98 from line 94. Enter result here
- 100. If line 99 is "0," enter "0" in lines 100–113 and go to Part 6. If line 99 is greater than "0," enter any loss from Schedule D, line 14, column C as a positive figure. If Schedule D, line 14, column C is "0" or greater, enter "0"
- 101. Add lines 6, 23 and 78. Enter result here
- 102. Subtract line 101 from line 100. Enter result here
- 103. If line 99 is smaller than or equal to line 102, enter line 99 here. If line 99 is larger than line 102, enter line 102 here
- 104. Subtract line 103 from line 99. Enter result here
- 105. If line 104 is "0," enter "0" in lines 105–113 and go to Part 6. If line 104 is greater than "0," enter any loss from Schedule D, line 14, column D as a positive figure. If Schedule D, line 14, column D is "0" or greater, enter "0"
- 106. Add lines 9, 28 and 53. Enter result here
- 107. Subtract line 106 from line 105. Enter result here
- 108. If line 104 is smaller than or equal to line 107, enter line 104 here. If line 104 is larger than line 107, enter line 107 here
- 109. Subtract line 108 from line 104. Enter result here
- 110. If line 109 is "0," enter "0" in lines 110–113 and go to Part 6. If line 109 is greater than "0," enter any loss from Schedule D, line 14, column F as a positive figure. If Schedule D, line 14, column F is "0" or greater, enter "0"
- 111. Add lines 15, 38, 63 and 88. Enter result here
- 112. Subtract line 111 from line 110. Enter result here
- 113. If line 109 is smaller than or equal to line 112, enter line 109 here. If line 109 is larger than line 112, enter line 112 here

Part 6. Complete only if you have a gain in Schedule D, line 14, F. Otherwise, enter "0" in lines 114–138 and go to Part 7.

- 114. Enter any gain from Schedule D, line 14, column F
- 115. Enter any loss from Schedule D, line 14, column A as a positive figure. If Schedule D, line 14, column A is "0" or greater, enter "0"
- 116. Add lines 18, 43, 68 and 93. Enter result here
- 117. Subtract line 116 from line 115. Enter result here
- 118. If line 114 is smaller than or equal to line 117, enter line 114 here. If line 114 is larger than line 117, enter line 117 here
- 119. Subtract line 118 from line 114. Enter result here

Worksheet continues next page ...

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- 120. If line 119 is "0," enter "0" in lines 120–138 and go to Part 7. If line 119 is greater than "0," enter any loss from Schedule D, line 14, column B as a positive figure. If Schedule D, line 14, column B is "0" or greater, enter "0" _____
- 121. Add lines 3, 48, 73 and 98. Enter result here _____
- 122. Subtract line 121 from line 120. Enter result here _____
- 123. If line 119 is smaller than or equal to line 122, enter line 119 here. If line 119 is larger than line 122, enter line 122 here _____
- 124. Subtract line 123 from line 119. Enter result here _____
- 125. If line 124 is "0," enter "0" in lines 125–138 and go to Part 7. If line 124 is greater than "0," enter any loss from Schedule D, line 14, column C as a positive figure. If Schedule D, line 14, column C is "0" or greater, enter "0" _____
- 126. Add lines 6, 23, 78 and 103. Enter result here _____
- 127. Subtract line 126 from line 125. Enter result here _____
- 128. If line 124 is smaller than or equal to line 127, enter line 124 here. If line 124 is larger than line 127, enter line 127 here _____
- 129. Subtract line 128 from line 124. Enter result here _____
- 130. If line 129 is "0," enter "0" in lines 130–138 and go to Part 7. If line 129 is greater than "0," enter any loss from Schedule D, line 14, column D as a positive figure. If Schedule D, line 14, column D is "0" or greater, enter "0" _____
- 131. Add lines 9, 28, 53 and 108. Enter result here _____
- 132. Subtract line 131 from line 130. Enter result here _____
- 133. If line 129 is smaller than or equal to line 132, enter line 129 here. If line 129 is larger than line 132, enter line 132 here _____
- 134. Subtract line 133 from line 129. Enter result here _____
- 135. If line 134 is "0," enter "0" in lines 135–138 and go to Part 7. If line 134 is greater than "0," enter any loss from Schedule D, line 14, column E as a positive figure. If Schedule D, line 14, column E is "0" or greater, enter "0" _____
- 136. Add lines 12, 33, 58 and 83. Enter result here _____
- 137. Subtract line 136 from line 135. Enter result here _____
- 138. If line 134 is smaller than or equal to line 137, enter line 134 here. If line 134 is larger than line 137, enter line 137 here _____

Part 7. Complete only if you have completed Part 1, 2, 3, 4, 5 or 6.

- 139. If Schedule D, line 14, column A is a gain, add lines 3, 6, 9, 12 and 15. Enter result here and in Schedule D, line 15, column A as a negative amount. This is the amount of any long-term losses applied to offset long-term capital gains taxed at 5%. If Schedule D line 14, column A is a loss, add lines 18, 43, 68, 93 and 118. Enter result here and in Schedule D, line 15, column A as a positive amount. This is the amount of long-term losses from assets held for more than one year but not more than two years applied to offset other long-term capital gains _____

Worksheet continues next column ...

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- 140. If Schedule D, line 14, column B is a gain, add lines 18, 23, 28, 33 and 38. Enter result here and in Schedule D, line 15, column B as a negative amount. This is the amount of any long-term losses applied to offset long-term capital gains taxed at 4%. If Schedule D line 14, column B is a loss, add lines 3, 48, 73, 98 and 123. Enter result here and in Schedule D, line 15, column B as a positive amount. This is the amount of long-term losses from assets held for more than two years but not more than three years applied to offset other long-term capital gains _____
- 141. If Schedule D, line 14, column C is a gain, add lines 43, 48, 53, 58 and 63. Enter result here and in Schedule D, line 15, column C as a negative amount. This is the amount of any long-term losses applied to offset long-term capital gains taxed at 3%. If Schedule D line 14, column C is a loss, add lines 6, 23, 78, 103 and 128. Enter result here and in Schedule D, line 15, column C as a positive amount. This is the amount of long-term losses from assets held for more than three years but not more than four years applied to offset other long-term capital gains _____
- 142. If Schedule D, line 14, column D is a gain, add lines 68, 73, 78, 83 and 88. Enter result here and in Schedule D, line 15, column D as a negative amount. This is the amount of any long-term losses applied to offset long-term capital gains taxed at 2%. If Schedule D, line 14, column D is a loss, add lines 9, 28, 53, 108 and 133. Enter result here and in Schedule D, line 15, column D as a positive amount. This is the amount of long-term losses from assets held for more than four years but not more than five years applied to offset other long-term capital gains _____
- 143. If Schedule D, line 14, column E is a gain, add lines 93, 98, 103, 108 and 113. Enter result here and in Schedule D, line 15, column E as a negative amount. This is the amount of any long-term losses applied to offset long-term capital gains taxed at 1%. If Schedule D, line 14, column E is a loss, add lines 12, 33, 58, 83 and 138. Enter result here and in Schedule D, line 15, column E as a positive amount. This is the amount of long-term losses from assets held for more than five years but not more than six years applied to offset other long-term capital gains _____
- 144. If Schedule D, line 14, column F is a gain, add lines 118, 123, 128, 133 and 138. Enter result here and in Schedule D, line 15, column F as a negative amount. This is the amount of any long-term losses applied to offset long-term capital gains taxed at 0%. If Schedule D, line 14, column F is a loss, add lines 15, 38, 63, 88 and 113. Enter result here and in Schedule D, line 15, column F as a positive amount. This is the amount of long-term losses from assets held for more than six years applied to offset other long-term capital gains _____

Line 16. Subtotal

Combine line 14, column A with line 15, column A and enter the result in line 16, column A. Combine line 14, column B with line 15, column B and enter the result in line 16, column B. Combine line 14, column C with line 15, column C and enter the result in line 16, column C. Combine line 14, column D with line 15, column D and enter the result in line 16, column D. Combine line 14, column E with line 15, column E and enter the result in line 16, column E. Combine line 14, column F with line 15, column F and enter the result in line 16, column F.

Note: After completing Schedule D, line 15, all amounts in Schedule D, line 16, columns A, B, C, D, E and F should be either "0" and/or gain(s) or "0" and/or loss(es). If all amounts in Schedule D, line 16 are "0," omit Schedule D, lines 17–28 and enter "0" in Form 2, line 39.

If any amount in line Schedule D, 16 is a loss, and Schedule B, line 22 is a positive amount, complete the Long-Term Capital Losses Applied Against Short-Term Capital Gains Worksheet for Schedule B, Line 23 and Schedule D, Line 17 on page 13.

If any amount in Schedule D, line 16 is a gain and Schedule B, line 22 is a positive amount, omit Schedule D, lines 17–19 and enter the amount from Schedule D, line 16 in Schedule D, line 20.

If any amount in Schedule D, line 16 is a gain and Schedule B, line 20 is a loss, omit Schedule D, line 17, enter the amount from Schedule D, line 16 in Schedule D, line 18 and complete the Short-Term Capital Losses Applied Against Long-Term Capital Gains Worksheet for Schedule B, Line 21 and Schedule D, Line 19 on pages 12–13.

If any amount in Schedule D, line 16 is a loss and Schedule B, line 20 is a loss, omit Schedule D, line 17, enter the amount from Schedule D, line 16 in Schedule D, line 18, omit Schedule D, lines 19–27, enter the amount from Schedule D, line 18 in Schedule D, line 28, and enter “0” in Form 2, line 39.

Line 17. Long-Term Capital Losses Applied Against Short-Term Capital Gains

Complete the Long-Term Capital Losses Applied Against Short-Term Capital Gains Worksheet for Schedule B, Line 23 and Schedule D, Line 17 only if Schedule B, line 22 is a positive amount and any amount in Schedule D, line 16, columns A, B, C, D, E or F is a loss. When completing the worksheet, be sure to enter all losses as a positive amount.

Line 18. Subtotal

Combine line 16, column A with line 17, column A and enter the result in line 18, column A. Combine line 16, column B with line 17, column B and enter the result in line 18, column B. Combine line 16, column C with line 17, column C and enter the result in line 18, column C. Combine line 16, column D with line 17, column D and enter the result in line 18, column D. Combine line 16, column E with line 17, column E and enter the result in line 18, column E. Combine line 16, column F with line 17, column F and enter the result in line 18, column F.

If any amount in Schedule D, line 18 is a gain and Schedule B, line 20 is a loss, complete the Short-Term Capital Losses Applied Against Long-Term Capital Gains Worksheet for Schedule B, Line 21 and Schedule D, Line 19 on pages 12–13.

If any amount in Schedule D, line 18 is a gain and Schedule B, line 22 is a gain, omit Schedule D, line 19 and enter the amount from Schedule D, line 18 in Schedule D, line 20.

If any amount in Schedule D, line 18 is a loss, omit Schedule D, lines 19–27, enter the amount from Schedule D, line 18 in Schedule D, line 28, and enter “0” in Form 2, line 39.

Line 19. Short-Term Capital Losses Applied Against Long-Term Capital Gains

Complete the Short-Term Capital Losses Applied Against Long-Term Capital Gains Worksheet for Schedule B, Line 21 and Schedule D, Line 19 only if Schedule B, line 20 is a loss and any amount in Schedule D, line 18, columns A, B, C, D, E or F is a positive amount. When completing the worksheet, be sure to enter all losses as a positive amount.

Line 20. Subtotal

Subtract line 19, column A from line 18, column A and enter the result in line 20, column A. Not less than “0.” Subtract line 19, column B from line 18, column B and enter the result in line 20, column B. Not less than “0.” Subtract line 19, column C from line 18, column C and enter the result in line 20, column C. Not less than “0.” Subtract line 19, column D from line 18, column D and enter the result in line 20, column D. Not less than “0.” Subtract line 19, column E from line 18,

column E and enter the result in line 20, column E. Not less than “0.” Subtract line 19, column F from line 18, column F and enter the result in line 20, column F. Not less than “0.”

If all amounts in Schedule D, line 20 are “0,” omit Schedule D, lines 19–28 and enter “0” in Form 2, line 39.

Line 21. Allowable Deductions From Your Trade or Business

Generally, taxpayers may not use excess 5.6% trade or business deductions to offset other income. However, Massachusetts law allows such offsets if the following requirements are met: the excess 5.6% deductions must be adjusted gross income deductions allowed under MGL Ch. 62, sec. 2(d); and these excess deductions may only be used to offset other income which is effectively connected with the active conduct of a trade of business or any other income allowed under IRC, sec. 469(d)(1)(B) to offset losses from passive activities. Enclose Schedule C-2 with your return.

Enter in line 21, column A the amount from Schedule C-2, line 14. Enter in line 21, column B the amount from Schedule C-2, line 16. Enter in line 21, column C the amount from Schedule C-2, line 18. Enter in line 21, column D the amount from Schedule C-2, line 20. Enter in line 21, column E the amount from Schedule C-2, line 22. Enter in line 21, column F the amount from Schedule C-2, line 24.

Line 22. Subtotal

Subtract line 21, column A from line 20, column A and enter the result in line 22, column A. Not less than “0.” Subtract line 21, column B from line 20, column B and enter the result in line 22, column B. Not less than “0.” Subtract line 21, column C from line 20, column C and enter the result in line 22, column C. Not less than “0.” Subtract line 21, column D from line 20, column D and enter the result in line 22, column D. Not less than “0.” Subtract line 21, column E from line 20, column E and enter the result in line 22, column E. Not less than “0.” Subtract line 21, column F from line 20, column F and enter the result in line 22, column F. Not less than “0.”

If all amounts in Schedule D, line 22 are “0,” omit Schedule D, lines 23–28 and enter “0” in Form 2, line 39.

Line 23. Modified Gross Long-Term Capital Gains

Enter the modified gross income in Massachusetts. The only modifications are for amounts of non-Massachusetts source income paid to/or vested in nonresidents of Massachusetts. No amount of capital gains accumulated for an unascertained remainder may be deducted in determining amounts reportable in line 23. If there is Massachusetts source income in line 23, refer to the instructions for Form 2, line 19. Explain if line 23 is different from line 22.

Lines 24a and b. Beneficiaries’ Exemptions

Enter the amount assignable to beneficiaries with No Tax Status in line 24a, columns A, B, C, D, E and F as applicable. Enter the amount applicable to beneficiaries’ unused personal exemptions in line 24b, columns A, B, C, D, E and F as applicable. See the section on Beneficiaries’ Claims. Form 20 or 20A and Form 1 must be attached to substantiate the claim.

Line 25. Adjusted Long-Term Capital Gains and Losses

Subtract lines 24a, column A and 24b, column A from line 23, column A and enter the result in line 25, column A. Subtract lines 24a, column B and 24b, column B from line 23, column B and enter the result in line 25, column B. Subtract lines 24a, column C and 24b, column C from line 23, column C and enter the result in line 25, col-

umn C. Subtract lines 24a, column D and 24b, column D from line 23, column D and enter the result in line 25, column D. Subtract lines 24a, column E and 24b, column E from line 23, column E and enter the result in line 25, column E. Subtract lines 24a, column F and 24b, column F from line 23, column F and enter the result in line 25, column F.

Line 26. Tax on Capital Gains by Holding Period

Multiply the amount in line 25, column A by .05 (5%) and enter the result in line 26, column A. Multiply the amount in line 25, column B by .04 (4%) and enter the result in line 26, column B. Multiply the amount in line 25, column C by .03 (3%) and enter the result in line 26, column C. Multiply the amount in line 25, column D by .02 (2%) and enter the result in line 26, column D. Multiply the amount in line 25, column E by .01 (1%) and enter the result in line 26, column E.

Line 27. Tax on Long-Term Capital Gains

Add line 26A, line 26B, line 26C, line 26D and line 26E. Enter result here and in Form 2, line 40.

Line 28. Available Losses for Carryover

Enter in line 28, column A the amount from line 18, column A, only if it is a loss. Enter in line 28, column B the amount from line 18, column B, only if it is a loss. Enter in line 28, column C the amount from line 18, column C, only if it is a loss. Enter in line 28, column D the amount from line 18, column D, only if it is a loss. Enter in line 28, column E the amount from line 18, column E, only if it is a loss. Enter in line 28, column F the amount from line 18, column F, only if it is a loss.

Schedule D-1. Long-Term Common Trust Fund Capital Gains

Line 1. Long-Term Common Trust Fund Capital Gains

Enter in column A the amount of capital gains from a common trust fund of which this taxpayer is a participant that were from the sale or exchange of assets held more than one year but not more than two years. Enter in column B the amount of capital gains from a common trust fund of which this taxpayer is a participant that were from the sale or exchange of assets held more than two years but not more than three years. Enter in column C the amount of capital gains from a common trust fund of which this taxpayer is a participant that were from the sale or exchange of assets held more than three years but not more than four years. Enter in column D the amount of capital gains from a common trust fund of which this taxpayer is a participant that were from the sale or exchange of assets held more than four years but not more than five years. Enter in column E the amount of capital gains from a common trust fund of which this taxpayer is a participant that were from the sale or exchange of assets held more than five years but not more than six years. Enter in column F the amount of capital gains from a common trust fund of which this taxpayer is a participant that were from the sale or exchange of assets held more than six years.

If a common trust fund does not report capital gains in a manner that allows you to determine the amounts attributable to assets held more than two years, report the amount in column A.

Line 2. Modified Gross Long-Term Common Trust Fund Capital Gains

Enter the modified gross income in Massachusetts. The only modifications are for amounts of non-Massachusetts source income paid to/or vested in nonresidents of Massachusetts. No amount of capital gains accumulated for an unascertained remainder may be deducted

in determining amounts reportable in line 2. If there is Massachusetts source income in line 1, refer to the instructions for Form 2, line 19. Explain if line 2 is different from line 1.

Line 3a and b. Beneficiaries' Exemptions

Enter the amount assignable to beneficiaries with No Tax Status in line 3a, columns A, B, C, D, E and F as applicable. Enter the amount applicable to beneficiaries' unused personal exemptions in line 3b, columns A, B, C, D, E and F as applicable. See the section on Beneficiaries' Claims. Form 20 or 20A and Form 1 must be attached to substantiate the claim.

Line 4. Adjusted Long-Term Capital Gains and Losses

Subtract lines 3a, column A and 3b, column A from line 2, column A and enter the result in line 4, column A. Subtract lines 3a, column B and 3b, column B from line 2, column B and enter the result in line 4, column B. Subtract lines 3a, column C and 3b, column C from line 2, column C and enter the result in line 4, column C. Subtract lines 3a, column D and 3b, column D from line 2, column D and enter the result in line 4, column D. Subtract lines 3a, column E and 3b, column E from line 2, column E and enter the result in line 4, column E. Subtract lines 3a, column F and 3b, column F from line 2, column F and enter the result in line 4, column F.

Line 5. Tax on Capital Gains by Holding Period

Multiply the amount in line 4, column A by .05 (5%) and enter the result in line 5, column A. Multiply the amount in line 4, column B by .04 (4%) and enter the result in line 5, column B. Multiply the amount in line 4, column C by .03 (3%) and enter the result in line 5, column C. Multiply the amount in line 4, column D by .02 (2%) and enter the result in line 5, column D. Multiply the amount in line 4, column E by .01 (1%) and enter the result in line 5, column E.

Line 6. Tax on Long-Term Capital Gains

Add line 5, column A; line 5, column B; line 5, column C; line 5, column D; and line 5, column E. Enter the result in line 6 and on Form 2, line 40.

Schedule E. Rental, Royalty and REMIC Income or Loss

Attach a copy of the U.S. Schedule E and U.S. Form 8582.

Rental income from property located in Massachusetts attributable to either a Massachusetts domiciliary, or to a resident decedent, is defined as Massachusetts source income and is taxed at 100%, regardless of the domicile of the beneficiary. In the case of a beneficiary domiciled in Massachusetts, rental income from real estate, wherever located, attributable to such beneficiary is taxed at 100%. In the case of a nonresident beneficiary, income from rental property located outside Massachusetts is not subject to taxation, unless it is accumulated for unknown or unascertained persons, or persons with uncertain interests.

For a decedent's estate, if the executor is authorized or directed in the will to occupy the decedent's realty and collect rents therefrom, or in the absence of a will, the court decree, appointing a temporary executor or administrator, authorizes the same, then to the extent of any income collected, it is reported in line 1. Generally, the income is reported on the Form 1 of the heir or devisee taking either title or control and possession of the property, because under Massachusetts law, title to real property vests immediately upon death in the devisee or heirs at law. The income is taxed on Form 2 only when the real estate is under administration or the person taking title or possession is the executor or administrator.

Line 1a. Rental and Royalty Income or Loss

Enter in line 1a the total rental income or loss from U.S. Form 1040, Schedule E, Part I, line 26 and Part V, line 39.

Line 1b. Real Estate Mortgage Investment Conduit (REMIC) Income or Loss

Enter in line 1b the total Real Estate Mortgage Investment Conduit (REMIC) residual income or loss from U.S. Schedule E, Part IV, line 38.

Line 1. Subtotal

Combine lines 1a and 1b, and enter in line 1.

Line 2. Massachusetts Differences

Enter and explain any differences between rental, royalty and REMIC income on the Massachusetts return. Possible differences include part-year resident status or trust provisions. As a result of differences in U.S. and Massachusetts rules in 1987, the calculations you made for passive losses on your 1987 U.S. and Massachusetts returns may have differed. Differences in 1987 and 2001 amounts reported for U.S. and Massachusetts tax purposes should be adjusted for when the property is disposed of or the deduction is used up.

To the extent there are applicable adjustments for Massachusetts differences, taxpayers must calculate allowable losses on a pro forma U.S. Form 8582, Passive Activity Loss Limitations.

For more information, see TIR 88-12 or *Guide to Filing Your 2001 Massachusetts Income Taxes*.

Line 3. Abandoned Building Renovation Deduction

Massachusetts allows a deduction from income of 10% of the costs incurred in renovating certain buildings located in an Economic Opportunity Area (EOA). The buildings must be designated as abandoned and located in an EOA as determined by the Economic Assistance Coordinating Council. The renovation deduction may be taken in addition to any other deduction for which the renovation costs may qualify.

For further information, contact the Massachusetts Office of Business Development, One Ashburton Place, Room 2101, Boston, MA 02108.

In line 3 enter 10% of the costs of renovating a qualifying abandoned building. Attach a statement detailing the location and cost of renovating the qualifying abandoned building.

Line 4. Total Rental, Royalty and REMIC Income or Loss for Massachusetts

Combine lines 1, 2 and 3. Enter in line 4 on Schedule E and on Form 2, line 15.

Schedule F. Credit for Income Taxes Paid to Other Jurisdictions

Complete Schedule F to calculate your credit for income taxes paid by you, by a partnership of which you are a partner or by an S corporation of which you are a shareholder, to another state or jurisdiction on income reported on Form 2. **Attach a copy of the complete return(s) filed in other jurisdictions.**

You are allowed to claim a credit for taxes paid to the following jurisdictions: (a) other states in the United States; (b) any territory or dependency of the United States (including Puerto Rico, the Virgin Islands, Guam, the District of Columbia); or (c) the Dominion of Canada or any of its provinces.

Note: Canada is the only foreign country for which you may claim a tax credit on Schedule F. First deduct any U.S. credit amount allowable.

The total credit which you calculate on Schedule F is the smaller of the amount of taxes due to other jurisdictions (net of certain adjustments) or the portion of your Massachusetts tax due on your gross income that is taxed in such other jurisdictions.

Credit is not given for a property tax due to another jurisdiction on account of capital stock or property. This does not refer to a tax on gain or income from the sale of capital stock or property, as included on Schedule B or D. Credit is also not given for any interest and penalties paid on a tax due to another jurisdiction.

You must complete separate schedules if you had 5.6% and interest income (other than interest from Massachusetts banks), dividends or capital gain income taxed by another jurisdiction. If you use this schedule to calculate a credit for interest income (other than interest from Massachusetts banks), dividends or capital gain income, substitute interest income (other than interest from Massachusetts banks), dividends or capital gain income for 5.6% income in line 1. You must also substitute Schedule B, line 14 (interest and dividend income and taxable 12% capital gains) or Schedule D, line 14, columns A, B, C, D, E and F (gross long-term capital gains and losses), but not less than "0," for Form 2, line 18 in line 2 of the schedule, and the total of Form 2, line 26 multiplied by .056 and Form 2, line 38 (tax on interest and dividend income and 12% tax) or lines 39 and 40 (tax on long-term capital gains) for 5.6% tax in line 4 of the schedule.

Note: When using this schedule to calculate credit for interest income (other than interest from Massachusetts banks), dividends or capital gain income, enter in line 1 such income taxed in another jurisdiction calculated as if it was earned in Massachusetts.

Line 6. Income Tax Paid to Other Jurisdictions

Enter the total tax paid to other jurisdictions on income also reported on this return unless the tax was paid to Canada. If the tax was paid to Canada, the amount reported in this line must be reduced by the amount claimed as a foreign tax credit on U.S. Form 1041, Schedule G, line 2a. Credit is only allowable for amount of tax paid.

Schedule H. Expenses and Fiduciary Compensation

The Schedule H deductions apply to every executor, administrator, trustee, guardian, conservator, trustee in bankruptcy or receiver of a trust or estate, with the exception of a trustee of a pooled income fund or a trustee of a charitable remainder annuity or unitrust.

Schedule H Deductions Are Specifically Allowed By Statute and Are as Follows:

Fiduciaries may take an amortization deduction for premiums paid upon bonds held by the estate or trust, but only if the bond income is taxable.

In addition, fiduciaries may take a deduction for a portion of their expenses for safe deposit box rentals and surety bond premiums. These expenses must have been incurred and actually paid during the tax year covered by the return in order to be allowed as a deduction.

The deduction must be allocated between taxable and nontaxable Part A income, and only the taxable portion is deductible. No deduction is allowed against 5.6% or long-term capital gain income. See examples on following page.

The deductible portion is calculated by computing the ratio of **taxable** Part A income, over total **taxable** and **nontaxable** Part A income, from all sources.

Expenses of Trustees in Bankruptcy: Ordinary and necessary business expenses of a trustee in bankruptcy engaged in the business of managing and liquidating a bankrupt estate are deductible against income taxed at 5.6%. The remainder of these expenses may be taken as an excess trade or business deduction against other income as long as such income is derived from the trustee's investment of liquidated assets. Please note that these expenses are not deductible on Schedule H. They are to be reported on Massachusetts Schedule C-2, and a copy of Massachusetts Schedules C and C-2 must be attached to Form 2.

Part 1. Expense Deduction Computation

Line 1. Enter in line 1a the amount actually paid during the taxable year for safe deposit box rentals and in line 1b for premiums on surety bonds. Add lines 1a and 1b, and enter the total in line 1.

Line 2. Add Schedule B, line 26 and Form 2, lines 25 and 33. This is your total taxable Part A income for the year.

Line 3. Add Schedule B, lines 4, 11, 12, 13 and Form 2, line 33. Then subtract Schedule B, line 6. This is your total Part A income (taxable and nontaxable) for the year. If common trust fund interest and dividends are not included in Schedule B, line 4, add in the amount from Form 2, line 25.

Line 4. Divide line 2 by line 3, and enter the percentage here. This is your percentage of taxable Part A income to total Part A income for the year.

Line 5. Multiply your total expenses in line 1 by the percentage in line 4, and enter the result here and on Schedule B, line 27a. This is the maximum expense deduction you are allowed against Part A income.

Part 2. Fiduciary Compensation Deduction Computation

Line 6. Enter the fiduciary compensation paid during the taxable year. Please note that none of the following expenses are deductible on Form 2: estate administrative expenses, executor's expenses, executor's commissions, attorney fees, accountant fees and tax preparer fees.

Line 7. Enter here the amount from Form 2, line 18. This is your total 5.6% income for the year.

Line 8. Add Schedule B, lines 4, 11, 12, 13 and Form 2, line 33. Then subtract Schedule B, line 6. This is your total Part A income (taxable and nontaxable) for the year. If common trust fund interest and dividends are not included in Schedule B, line 4, add in the amount from Form 2, line 25.

Line 9a. Enter the total of: Schedule D, line 8, column A, less Schedule D, line 13, column A; Schedule D, line 8, column B, less Schedule D, line 13, column B; Schedule D, line 8, column C, less Schedule D, line 13, column C; and Schedule D, line 8, column D, less Schedule D, line 13, column D and Schedule D, line 8, column E, less Schedule D, line 13, column E and Schedule D, line 8, column F, less Schedule D, line 13, column F. Exclude any long-term common trust fund capital gains. Not less than "0."

Line 9b. Enter the total of Schedule D-1, line 1, column A, column B, column C, column D, column E and column F.

Example A

A trust has \$5,000 taxable interest and \$3,500 U.S. bond interest. The trustee pays \$25 for a safe deposit box and \$125 for a surety bond. Of the \$150 in expenses paid, 5,000/8,500 or \$88.24 is deductible from Part A income. Please refer to the following formula:

Formula for determining the expense deduction against Part A income:

$$\frac{\text{total taxable Part A income}}{\text{total taxable \& nontaxable Part A income}} \times \text{total expense} = \text{expense deduction}$$

Finally, fiduciaries may deduct a portion of the compensation paid during the year as fiduciary compensation, limited to the compensation actually paid on Part A **taxable** income, but not in excess of 7% of such income, limited to that portion of such income as is payable to/or accumulated for inhabitants of the Commonwealth or is accumulated for unborn or unascertained persons. No deduction is allowed for fiduciary compensation paid on nontaxable Part A income or 5.6% or long-term capital gain income.

Example B

A trust has taxable Part A income of \$10,000, Massachusetts bank interest of \$5,000 and long-term capital gains of \$5,000. The compensation actually paid during the year on Part A income is \$2,000. Of the \$2,000 paid, the amount deductible from Part A income is limited to 7% or \$700. This amount (\$700) is less than \$1,000 (10,000/20,000 × \$2,000), or the actual amount paid on taxable income. Please refer to the following formulas:

Formula for determining fiduciary compensation deduction allowed against **taxable** Part A income:

$$\frac{\text{total Part A income}}{\text{total 5.6\% \& Part A \& long-term capital gain income}} \times \text{fiduciary compensation actually paid on income} = \text{fiduciary compensation actually paid on Part A income}$$

$$\frac{\text{total taxable Part A income}}{\text{total taxable \& nontaxable Part A income}} \times \text{fiduciary compensation (from above) actually paid on Part A income} = \text{fiduciary compensation deduction, but not in excess of 7\% of Form 2, line 26 and line 34}$$

Line 10. Add lines 7, 8, 9a and 9b, and enter the total here.

Line 11. Divide line 8 by line 10 and enter the percentage here. This is your percentage of taxable Part A income to total income (5.6% income, Part A income and long-term capital gain income) for the year.

Line 12. Multiply line 11 by line 6, and enter the result here. This represents the amount of fiduciary compensation actually paid on Part A income. Compensation paid on 5.6%, or long-term capital gain income is not deductible.

Line 13. Add Schedule B, line 26 and Form 2, lines 25 and 33 and enter the result.

Line 14. Enter the amount from line 8. This is your total Part A income (taxable and nontaxable) for the year.

Line 15. Divide line 13 by line 14, and enter the percentage here. This is your percentage of taxable Part A income to total Part A income for the year.

Line 16. Multiply line 15 by line 12, and enter the result here. This represents the amount of fiduciary compensation actually paid on taxable Part A income. Compensation allocated to nontaxable Part A income is not deductible.

Line 17. Enter here 7% of line 13.

Line 18. Enter here and on Schedule B, line 27b, the amount from line 16 or 17, whichever is smaller. This is the maximum fiduciary compensation deduction you are allowed to take against Part A income.

Form 20. Beneficiary's Claim of No Tax Status Exemption

Form 20, Beneficiary's Claim of No Tax Status Exemption, is used to apply a beneficiary's No Tax Status exemption on Form 2. If a beneficiary's Massachusetts adjusted gross income exceeds \$8,000, if single; \$14,400, plus \$1,000 per dependent if filing as head of household; or \$16,400, plus \$1,000 per dependent if married filing a joint return, do not complete Form 20. If a beneficiary's Massachusetts adjusted gross income was under the applicable threshold, and after adding in the amount of fiduciary income paid to/or vested in the beneficiary remains below the threshold, then complete Form 20. Otherwise, there is no exemption carryover.

If the beneficiary filed a Massachusetts Individual Income Tax Return, file a complete copy with this Form 20. Otherwise, complete and file Form 1, lines 1 through 26 or Form 1-NR/PY, lines 1 through 30, and Schedules B, D, E, X, Y, Z, NTS-L-NR/PY (Form 1-NR/PY filers only), and C (if applicable) with Form 20.

Example:

John Taxpayer had \$3,000 in Form 1 Massachusetts adjusted gross income. In addition, he received \$3,500 of dividend income from Y Trust. As the combined income is less than \$8,000, both the \$3,000 of Form 1 and \$3,500 of Form 2 income is exempt from tax. If the Y Trust income paid to the beneficiary was \$5,500, then only the Form 1 income of \$3,000 would qualify for the exemption as the total combined income of \$8,500, would exceed the No Tax Status threshold.

Line 1, column b. Enter the amount paid to/or vested in the beneficiary from all other fiduciaries, Form 2, line 18.

Line 1, column c. Enter the amount paid to/or vested in the beneficiary from this fiduciary, Form 2, line 18.

Line 2, column b. Enter the amount paid to/or vested in the beneficiary from all other fiduciaries, Form 2, Schedule B, line 26.

Line 2, column c. Enter the amount paid to/or vested in the beneficiary from this fiduciary, Form 2, Schedule B, line 26.

Line 3, column b. Enter the amount paid to/or vested in the beneficiary from all other fiduciaries, Form 2, Schedule D, line 22, columns A, B, C, D, E and F.

Line 3, column c. Enter the amount paid to/or vested in the beneficiary from this fiduciary, Form 2, Schedule D, line 22, columns A, B, C, D, E and F.

Line 4, column b. Enter the amount paid to/or vested in the beneficiary from all other fiduciaries, Form 2, Schedule D-1, line 1, columns A, B, C, D, E and F.

Line 4, column c. Enter the amount paid to/or vested in the beneficiary from this fiduciary, Form 2, Schedule D-1, line 1, columns A, B, C, D, E and F.

Line 5, column a. Enter the amount from Form 1, AGI Worksheet, line 7; or Form 1-NR/PY, Schedule NTS-L-NR/PY, line 8.

Line 5, column b. Add the amounts in lines 1–4, column b, and enter the total here.

Line 5, column c. Add the amounts in lines 1–4, column c, and enter the total here.

Line 5, column d. Add the amounts in line 5, columns a through c, and enter the total here.

If the amount in line 5, column d, exceeds the No Tax Status exemption, there is no carryover amount.

Beneficiary's declaration. The beneficiary, or beneficiary's legal guardian, must sign this form.

To Be Completed By the Trustee or Other Fiduciary

Line a. Enter the beneficiary's share of 5.6% income from Form 2, line 18. Include this amount on Form 2, line 20.

Line b. Enter the beneficiary's share of interest (other than interest from Massachusetts banks) and dividends from Form 2, line 26. Include this amount on Form 2, line 28.

Line c. Enter the beneficiary's share of 12% income from Form 2, line 34. Include this amount on Form 2, line 36.

Line d. Enter the beneficiary's share of long-term capital gain from Schedule D, line 22, column A. Include this amount on Schedule D, line 24a, column A.

Line e. Enter the beneficiary's share of long-term capital gain from Schedule D, line 22, column B. Include this amount on Schedule D, line 24a, column B.

Line f. Enter the beneficiary's share of long-term capital gain from Schedule D, line 22, column C. Include this amount on Schedule D, line 24a, column C.

Line g. Enter the beneficiary's share of long-term capital gain from Schedule D, line 22, column D. Include this amount on Schedule D, line 24a, column D.

Line h. Enter the beneficiary's share of long-term capital gain from Schedule D, line 22, column E. Include this amount on Schedule D, line 24a, column E.

Line i. Enter the beneficiary's share of long-term capital gain from Schedule D, line 22, column F. Include this amount on Schedule D, line 24a, column F.

Line j. Enter the beneficiary's share of long-term common trust fund capital gain from Schedule D-1, line 1, column A. Include this amount on Schedule D-1, line 3a, column A.

Line k. Enter the beneficiary's share of long-term common trust fund capital gain from Schedule D-1, line 1, column B. Include this amount on Schedule D-1, line 3a, column B.

Line l. Enter the beneficiary's share of long-term common trust fund capital gain from Schedule D-1, line 1, column C. Include this amount on Schedule D-1, line 3a, column C.

Line m. Enter the beneficiary's share of long-term common trust fund capital gain from Schedule D-1, line 1, column D. Include this amount on Schedule D-1, line 3a, column D.

Line n. Enter the beneficiary's share of long-term common trust fund capital gain from Schedule D-1, line 1, column E. Include this amount on Schedule D-1, line 3a, column E.

Line o. Enter the beneficiary's share of long-term common trust fund capital gain from Schedule D-1, line 1, column F. Include this amount on Schedule D-1, line 3a, column F.

Form 20A. Beneficiary's Claim for Exemptions Applicable to Fiduciary Income

Form 20A, Beneficiary's Claim for Exemptions Applicable to Fiduciary Income, allows a fiduciary to claim any unused exemptions to which a beneficiary is entitled and apply those exemptions against trust or estate income to which that beneficiary is entitled. (These exemptions can only offset fiduciary income which is vested in/or paid to the beneficiary.)

Form 20A must be filed along with a completed Form 1, Resident Income Tax Return, or Form 1-NR/PY, Nonresident or Part-Year Resident Income Tax Return, for each beneficiary who is claiming excess exemptions in the same tax year. U.S. Form 1040, Schedule A, Itemized Deductions, must also be filed if claiming excess itemized medical and dental expenses. Exemptions must be applied to income in the following order:

First, the exemptions are applied against the Form 1 or 1-NR/PY, **5.6% income**. Next, any unused exemptions are applied against the Form 2, **5.6% income**. Then, any remaining exemptions are then applied against the Form 1 or 1-NR/PY, **Part A income**. Next, any remaining exemptions are applied against the Form 2, **Part A income**. Then, any remaining exemptions are applied against the Form 1 or 1-NR/PY, **5% income**. Next, any remaining exemptions are applied against the Form 2, **5% income**. Then, any remaining exemptions are applied against the Form 1 or 1-NR/PY, **4% income**. Next, any remaining exemptions are applied against the Form 2, **4% income**. Then, any remaining exemptions are applied against the Form 1 or 1-NR/PY, **3% income**. Next, any remaining exemptions are applied against the Form 2, **3% income**. Then, any remaining exemptions are applied against the Form 1 or 1-NR/PY, **2% income**. Next, any remaining exemptions are applied against the Form 2, **2% income**. Then, any remaining exemptions are applied against the Form 1 or 1-NR/PY, **1% income**. Next, any remaining exemptions are applied against the Form 2, **1% income**. Then, any remaining exemptions are applied against the Form 1 or 1-NR/PY, **0% income**. Next, any remaining exemptions are applied against the Form 2, **0% income**.

Line 1, column d. Enter the total exemptions to which this beneficiary is entitled from Form 1, line 2f.

Line 2, column a. Enter the total 5.6% income from Form 1, line 17, before any exemptions are applied.

Line 2, column b. Enter the total 5.6% income from all other fiduciaries (Form 2, line 18) to which the beneficiary is entitled.

Line 2, column c. Enter the total 5.6% income from this fiduciary (Form 2, line 18) to which this beneficiary is entitled.

Line 2, column d. Add columns a through c, and enter the total in d.

Line 3, column a. Enter the amount of exemptions from line 1, column d, which are being applied against the beneficiary's Form 1, 5.6% income in line 2, column a, from Form 1, line 17.

Line 3, column b. Enter the amount of exemptions from line 1, column d, which are being applied against the beneficiary's other 5.6% fiduciary income in line 2, column b, from other fiduciaries' Form 2, line 18.

Line 3, column c. Enter the amount of exemptions from line 1, column d, which are being applied against the beneficiary's 5.6% income from this fiduciary (Form 2, line 18).

Line 3, column e. Add columns a through c, and enter the total here.

Line 4, column d. Subtract line 2, column d, from line 1, column d, and enter the result here. If line 2, column d, is larger than line 1, column d, enter "0." This is the amount of remaining exemptions.

Line 5, column a. Enter the total Part A income from Form 1, Schedule B, line 21.

Line 5, column b. Enter the total interest (other than interest from Massachusetts banks) and dividend income from all other fiduciaries (Form 2, line 26) to which the beneficiary is entitled.

Line 5, column c. Enter the total interest (other than interest from Massachusetts banks) and dividend income from this fiduciary (Form 2, line 26) to which the beneficiary is entitled.

Line 5, column d. Add columns a through c, and enter the total in d.

Line 6, column a. Enter the amount of exemptions from line 4, column d, which are being applied against the beneficiary's Form 1, Part A income, from line 5, column a.

Line 6, column b. Enter the amount of exemptions from line 4, column d, which are being applied against the beneficiary's, interest (other than interest from Massachusetts banks) and dividend income from other fiduciaries' from line 5, column b.

Line 6, column c. Enter the amount of exemptions from line 4, column d, which are being applied against the beneficiary's, interest (other than interest from Massachusetts banks) and dividend income from this fiduciary from line 5, column c.

Line 6, column e. Add columns a through c, and enter the total here.

Line 7, column d. Subtract line 5, column d, from line 4, column d. If line 5, column d is larger than line 4, column d, enter "0." This is the amount of the remaining unused exemptions.

Line 8, column b. Enter the total 12% income from all other fiduciaries (Form 2, line 34) to which the beneficiary is entitled.

Line 8, column c. Enter the total 12% income from this fiduciary (Form 2, line 34) to which the beneficiary is entitled.

Line 8, column d. Add columns b and c, and enter the total in d.

Line 9, column b. Enter the amount of exemptions from line 7, column d, which are being applied against the beneficiary's 12% income from other fiduciaries' from line 8, column b.

Line 9, column c: Enter the amount of exemptions from line 7, column d, which are being applied against the beneficiary's 12% income from this fiduciary from line 8, column c.

Line 9, column e. Add columns b and c, and enter the total here.

Line 10, column d. Subtract line 8, column d, from line 7, column d. If line 8, column d is larger than line 7, column d, enter "0." This is the amount of the remaining unused exemptions.

Line 11, column a. Enter the total 5% long-term capital gain from Form 1, Schedule D, line 18, column A, before any exemptions are applied.

Line 11, column b. Enter the total 5% long-term capital gain from all other fiduciaries (Form 2, Schedule D, line 22, column A) to which the beneficiary is entitled.

Line 11, column c. Enter the total 5% long-term capital gain from this fiduciary (Form 2, Schedule D, line 22, column A) to which the beneficiary is entitled.

Line 11, column d. Add columns a through c, and enter the total in d.

Line 12, column a. Enter the amount of exemptions from line 10, column d, which are being applied against the beneficiary's Form 1, 5% long-term capital gain, from line 11, column a.

Line 12, column b. Enter the amount of exemptions from line 10, column d, which are being applied against the beneficiary's 5% long-term capital gain from other fiduciaries' from line 11, column b.

Line 12, column c. Enter the amount of exemptions from line 10, column d, which are being applied against the beneficiary's 5% long-term capital gain from this fiduciary from line 11, column c.

Line 12, column e. Add columns a through c, and enter the total here.

Line 13, column d. Subtract line 11, column d, from line 10, column d. If line 11, column d is larger than line 10, column d, enter "0." This represents the remaining unused exemptions.

Line 14, column b. Enter the total 5% long-term common trust fund capital gain from all other fiduciaries (Form 2, Schedule D-1, line 1, column A) to which the beneficiary is entitled.

Line 14, column c. Enter the total 5% long-term common trust fund capital gain from this fiduciary (Form 2, Schedule D-1, line 1, column A) to which the beneficiary is entitled.

Line 14, column d. Add columns b and c, and enter the total in d.

Line 15, column b. Enter the amount of exemptions from line 13, column d, which are being applied against the beneficiary's 5% long-term common trust fund capital gain from other fiduciaries' from line 14, column b.

Line 15, column c. Enter the amount of exemptions from line 13, column d, which are being applied against the beneficiary's 5% long-term common trust fund capital gain from this fiduciary from line 14, column c.

Line 15, column e. Add columns b and c, and enter the total here.

Line 16, column d. Subtract line 14, column d, from line 13, column d. If line 14, column d is larger than line 13, column d, enter "0." This represents the remaining unused exemptions.

Line 17, column a. Enter the total 4% long-term capital gain from Form 1, Schedule D, line 18, column B, before any exemptions are applied.

Line 17, column b. Enter the total 4% long-term capital gain from all other fiduciaries (Form 2, Schedule D, line 22, column B) to which the beneficiary is entitled.

Line 17, column c. Enter the total 4% long-term capital gain from this fiduciary (Form 2, Schedule D, line 22, column B) to which the beneficiary is entitled.

Line 17, column d. Add columns a through c, and enter the total in d.

Line 18, column a. Enter the amount of exemptions from line 16, column d, which are being applied against the beneficiary's Form 1, 4% long-term capital gain, from line 17, column a.

Line 18, column b. Enter the amount of exemptions from line 16, column d, which are being applied against the beneficiary's 4% long-term capital gain from other fiduciaries' from line 17, column b.

Line 18, column c. Enter the amount of exemptions from line 16, column d, which are being applied against the beneficiary's 4% long-term capital gain from this fiduciary from line 17, column c.

Line 18, column e. Add columns a through c, and enter the total here.

Line 19, column d. Subtract line 17, column d, from line 16, column d. If line 17, column d is larger than line 16, column d, enter "0." This represents the remaining unused exemptions.

Line 20, column b. Enter the total 4% long-term common trust fund capital gain from all other fiduciaries (Form 2, Schedule D-1, line 1, column B) to which the beneficiary is entitled.

Line 20, column c. Enter the total 4% long-term common trust fund capital gain from this fiduciary (Form 2, Schedule D-1, line 1, column B) to which the beneficiary is entitled.

Line 20, column d. Add columns b and c, and enter the total in d.

Line 21, column b. Enter the amount of exemptions from line 19, column d, which are being applied against the beneficiary's 4% long-term common trust fund capital gain from other fiduciaries' from line 20, column b.

Line 21, column c. Enter the amount of exemptions from line 19, column d, which are being applied against the beneficiary's 4% long-term common trust fund capital gain from this fiduciary from line 20, column c.

Line 21, column e. Add columns b and c, and enter the total here.

Line 22, column d. Subtract line 20, column d, from line 19, column d. If line 20, column d is larger than line 19, column d, enter "0." This represents the remaining unused exemptions.

Line 23, column a. Enter the total 3% long-term capital gain from Form 1, Schedule D, line 18, column C, before any exemptions are applied.

Line 23, column b. Enter the total 3% long-term capital gain from all other fiduciaries (Form 2, Schedule D, line 22, column C) to which the beneficiary is entitled.

Line 23, column c. Enter the total 3% long-term capital gain from this fiduciary (Form 2, Schedule D, line 22, column C) to which the beneficiary is entitled.

Line 23, column d. Add columns a through c, and enter the total in d.

Line 24, column a. Enter the amount of exemptions from line 22, column d, which are being applied against the beneficiary's Form 1, 3% long-term capital gain, from line 23, column a.

Line 24, column b. Enter the amount of exemptions from line 22, column d, which are being applied against the beneficiary's 3% long-term capital gain from other fiduciaries' from line 23, column b.

Line 24, column c. Enter the amount of exemptions from line 22, column d, which are being applied against the beneficiary's 3% long-term capital gain from this fiduciary from line 23, column c.

Line 24 column e. Add columns a through c, and enter the total here.

Line 25, column d. Subtract line 23, column d, from line 22, column d. If line 23, column d is larger than line 22, column d, enter "0." This represents the remaining unused exemptions.

Line 26, column b. Enter the total 3% long-term common trust fund capital gain from all other fiduciaries (Form 2, Schedule D-1, line 1, column C) to which the beneficiary is entitled.

Line 26, column c. Enter the total 3% long-term common trust fund capital gain from this fiduciary (Form 2, Schedule D-1, line 1, column C) to which the beneficiary is entitled.

Line 26, column d. Add columns b and c, and enter the total in d.

Line 27, column b. Enter the amount of exemptions from line 25, column d, which are being applied against the beneficiary's 3% long-term common trust fund capital gain from other fiduciaries' from line 26, column b.

Line 27, column c. Enter the amount of exemptions from line 25, column d, which are being applied against the beneficiary's 3% long-term common trust fund capital gain from this fiduciary from line 26, column c.

Line 27, column e. Add columns b and c, and enter the total here.

Line 28, column d. Subtract line 26, column d, from line 25, column d. If line 26, column d is larger than line 25, column d, enter "0." This represents the remaining unused exemptions.

Line 29, column a. Enter the total 2% long-term capital gain from Form 1, Schedule D, line 18, column D, before any exemptions are applied.

Line 29, column b. Enter the total 2% long-term capital gain from all other fiduciaries (Form 2, Schedule D, line 22, column D) to which the beneficiary is entitled.

Line 29, column c. Enter the total 2% long-term capital gain from this fiduciary (Form 2, Schedule D, line 22, column D) to which the beneficiary is entitled.

Line 29, column d. Add columns a through c, and enter the total in d.

Line 30, column a. Enter the amount of exemptions from line 28, column d, which are being applied against the beneficiary's Form 1, 2% long-term capital gain, from line 29, column a.

Line 30, column b. Enter the amount of exemptions from line 28, column d, which are being applied against the beneficiary's 2% long-term capital gain from other fiduciaries' from line 29, column b.

Line 30, column c. Enter the amount of exemptions from line 28, column d, which are being applied against the beneficiary's 2% long-term capital gain from this fiduciary from line 29, column c.

Line 30, column e. Add columns a through c, and enter the total here.

Line 31, column d. Subtract line 29, column d, from line 28, column d. If line 29, column d is larger than line 28, column d, enter "0." This represents the remaining unused exemptions.

Line 32, column b. Enter the total 2% long-term common trust fund capital gain from all other fiduciaries (Form 2, Schedule D-1, line 1, column D) to which the beneficiary is entitled.

Line 32, column c. Enter the total 2% long-term common trust fund capital gain from this fiduciary (Form 2, Schedule D-1, line 1, column D) to which the beneficiary is entitled.

Line 33, column d. Add columns b and c, and enter the total in d.

Line 33, column b. Enter the amount of exemptions from line 31, column d, which are being applied against the beneficiary's 2% long-term common trust fund capital gain from other fiduciaries' from line 32, column b.

Line 33, column c. Enter the amount of exemptions from line 31, column d, which are being applied against the beneficiary's 2% long-term common trust fund capital gain from this fiduciary from line 32, column c.

Line 33, column e. Add columns b and c, and enter the total here.

Line 34, column d. Subtract line 32, column d, from line 31, column d. If line 32, column d is larger than line 31, column d, enter "0." This represents the remaining unused exemptions.

Line 35, column a. Enter the total 1% long-term capital gain from Form 1, Schedule D, line 18, column D, before any exemptions are applied.

Line 35, column b. Enter the total 1% long-term capital gain from all other fiduciaries (Form 2, Schedule D, line 22, column E) to which the beneficiary is entitled.

Line 35, column c. Enter the total 1% long-term capital gain from this fiduciary (Form 2, Schedule D, line 22, column E) to which the beneficiary is entitled.

Line 35, column d. Add columns a through c, and enter the total in d.

Line 36, column a. Enter the amount of exemptions from line 34, column d, which are being applied against the beneficiary's Form 1, 1% long-term capital gain, from line 35, column a.

Line 36, column b. Enter the amount of exemptions from line 34, column d, which are being applied against the beneficiary's 1% long-term capital gain from other fiduciaries' from line 35, column b.

Line 36, column c. Enter the amount of exemptions from line 34, column d, which are being applied against the beneficiary's 1% long-term capital gain from this fiduciary from line 35, column c.

Line 36, column e. Add columns a through c, and enter the total here.

Line 37, column d. Subtract line 35, column d, from line 34, column d. If line 35, column d is larger than line 34, column d, enter "0." This represents the remaining unused exemptions.

Line 38, column b. Enter the total 1% long-term common trust fund capital gain from all other fiduciaries (Form 2, Schedule D-1, line 1, column E) to which the beneficiary is entitled.

Line 38, column c. Enter the total 1% long-term common trust fund capital gain from this fiduciary (Form 2, Schedule D-1, line 1, column E) to which the beneficiary is entitled.

Line 38, column d. Add columns b and c, and enter the total in d.

Line 39, column b. Enter the amount of exemptions from line 37, column d, which are being applied against the beneficiary's 1% long-term common trust fund capital gain from other fiduciaries' from line 38, column b.

Line 39, column c. Enter the amount of exemptions from line 37, column d, which are being applied against the beneficiary's 1% long-term common trust fund capital gain from this fiduciary from line 38, column c.

Line 39, column e. Add columns b and c, and enter the total here.

Line 40, column d. Subtract line 35, column d, from line 34, column d. If line 35, column d is larger than line 34, column d, enter "0." This represents the remaining unused exemptions.

Line 41, column a. Enter the total 0% long-term capital gain from Form 1, Schedule D, line 18, column F, before any exemptions are applied.

Line 41, column b. Enter the total 0% long-term capital gain from all other fiduciaries (Form 2, Schedule D, line 22, column F) to which the beneficiary is entitled.

Line 41, column c. Enter the total 0% long-term capital gain from this fiduciary (Form 2, Schedule D, line 22, column F) to which the beneficiary is entitled.

Line 41, column d. Add columns a through c, and enter the total in d.

Line 42, column a. Enter the amount of exemptions from line 40, column d, which are being applied against the beneficiary's Form 1, 0% long-term capital gain, from line 41, column a.

Line 42, column b. Enter the amount of exemptions from line 40, column d, which are being applied against the beneficiary's 0% long-term capital gain from other fiduciaries' from line 41, column b.

Line 42, column c. Enter the amount of exemptions from line 40, column d, which are being applied against the beneficiary's 0% long-term capital gain from this fiduciary from line 41, column c.

Line 42, column e. Add columns a through c, and enter the total here.

Line 43, column d. Subtract line 41, column d, from line 40, column d. If line 41, column d is larger than line 40, column d, enter "0." This represents the remaining unused exemptions.

Line 44, column b. Enter the total 0% long-term common trust fund capital gain from all other fiduciaries (Form 2, Schedule D-1, line 1, column F) to which the beneficiary is entitled.

Line 44, column c. Enter the total 0% long-term common trust fund capital gain from this fiduciary (Form 2, Schedule D-1, line 1, column F) to which the beneficiary is entitled.

Line 45, column d. Add columns b and c, and enter the total in d.

Line 44, column b. Enter the amount of exemptions from line 43, column d, which are being applied against the beneficiary's 0% long-term common trust fund capital gain from other fiduciaries' from line 44, column b.

Line 45, column c. Enter the amount of exemptions from line 43, column d, which are being applied against the beneficiary's 0% long-term common trust fund capital gain from this fiduciary from line 44, column c.

Line 45, column e. Add columns b and c, and enter the total here.

Line 46, column d. Subtract line 44, column d, from line 43, column d. If line 44, column d is larger than line 43, column d, enter "0." This represents the remaining unused exemptions.

Line 47, column e. Add column e, line 3, 6, 9, 12, 15, 18, 21, 24, 27, 30, 33, 36, 39, 42 and 45 and enter the total here. This figure represents the total exemptions used.

Beneficiary's Declaration

The beneficiary, or beneficiary's legal guardian, must sign and date this form.

For General Tax Information

Please call (617) 887-MDOR or toll-free in Mass. at 1-800-392-6089.

For help in one of the following specific areas, please call the number listed below:

- Certificates of Good Standing (617) 887-6550
- Installment sales (617) 887-6950
- Small Business Workshop (617) 887-6400
- Teletype (TTY): (617) 887-6140
- Vision-impaired taxpayers are welcome to make an appointment at any DOR office listed on the back cover to receive assistance in preparing their tax forms.

To report allegations of suspected misconduct or impropriety involving Department of Revenue employees, please call the Inspectional Services Division's Integrity Hot Line at 1-800-568-0085 or write to PO Box 9480, Boston, MA 02205-9480.

2001 Massachusetts Income Tax Table at the 5.6% Rate

Use this table to calculate tax for taxable 5.6% income (line 30) of not more than \$80,000.

Line 30 Instructions: To find your Tax for 5.6% Income (line 31), read down the tax table income column to the line containing the amount you entered in line 30. Then read across to the **TAX** column and enter this amount in line 31. If your taxable 5.6% income in line 30 is greater than \$80,000, multiply the amount by .056. Enter the result in line 31.

INCOME			INCOME			INCOME			INCOME			INCOME			INCOME		
More than	But not more than	TAX	More than	But not more than	TAX	More than	But not more than	TAX	More than	But not more than	TAX	More than	But not more than	TAX	More than	But not more than	TAX
\$ 1 - \$ 50	\$ 1	\$ 1	\$ 4,000 - \$ 4,050	\$ 225	\$ 449	\$ 12,000 - \$ 12,050	\$ 673	\$ 897	\$ 20,000 - \$ 20,050	\$ 1,121	\$ 1,124	\$ 16,000 - \$ 16,050	\$ 900	\$ 907	\$ 20,050 - \$ 20,100	\$ 1,124	\$ 1,127
50 - 100	4	7	4,050 - 4,100	228	452	12,050 - 12,100	676	900	20,100 - 20,150	1,127	1,130	16,050 - 16,100	903	906	20,150 - 20,200	1,130	1,133
100 - 150	7	10	4,100 - 4,150	231	455	12,100 - 12,150	679	903	20,200 - 20,250	1,133	1,136	16,100 - 16,150	906	909	20,250 - 20,300	1,136	1,139
150 - 200	10	13	4,150 - 4,200	234	458	12,150 - 12,200	682	906	20,300 - 20,350	1,139	1,142	16,150 - 16,200	909	912	20,350 - 20,400	1,142	1,145
200 - 250	13	16	4,200 - 4,250	237	461	12,200 - 12,250	685	909	20,400 - 20,450	1,145	1,148	16,200 - 16,250	912	915	20,450 - 20,500	1,148	1,151
250 - 300	16	19	4,250 - 4,300	240	464	12,250 - 12,300	688	912	20,500 - 20,550	1,151	1,154	16,250 - 16,300	915	918	20,550 - 20,600	1,154	1,157
300 - 350	19	22	4,300 - 4,350	243	467	12,300 - 12,350	691	915	20,600 - 20,650	1,157	1,160	16,300 - 16,350	918	921	20,650 - 20,700	1,160	1,163
350 - 400	22	25	4,350 - 4,400	246	470	12,350 - 12,400	694	918	20,700 - 20,750	1,163	1,166	16,350 - 16,400	921	924	20,750 - 20,800	1,166	1,169
400 - 450	25	28	4,400 - 4,450	249	473	12,400 - 12,450	697	921	20,800 - 20,850	1,169	1,172	16,400 - 16,450	924	927	20,850 - 20,900	1,172	1,175
450 - 500	28	31	4,450 - 4,500	252	476	12,450 - 12,500	700	924	20,900 - 20,950	1,175	1,178	16,450 - 16,500	927	930	20,950 - 21,000	1,178	1,181
500 - 550	31	34	4,500 - 4,550	255	479	12,500 - 12,550	703	927	21,000 - 21,050	1,181	1,184	16,500 - 16,550	930	933	21,050 - 21,100	1,184	1,187
550 - 600	34	37	4,550 - 4,600	258	482	12,550 - 12,600	706	930	21,100 - 21,150	1,187	1,190	16,550 - 16,600	933	936	21,150 - 21,200	1,190	1,193
600 - 650	37	40	4,600 - 4,650	261	485	12,600 - 12,650	709	933	21,200 - 21,250	1,193	1,196	16,600 - 16,650	936	939	21,250 - 21,300	1,196	1,199
650 - 700	40	43	4,650 - 4,700	264	488	12,650 - 12,700	712	936	21,300 - 21,350	1,199	1,202	16,650 - 16,700	939	942	21,350 - 21,400	1,202	1,205
700 - 750	43	46	4,700 - 4,750	267	491	12,700 - 12,750	715	939	21,400 - 21,450	1,205	1,208	16,700 - 16,750	942	945	21,450 - 21,500	1,208	1,211
750 - 800	46	49	4,750 - 4,800	270	494	12,750 - 12,800	718	942	21,500 - 21,550	1,211	1,214	16,750 - 16,800	945	948	21,550 - 21,600	1,214	1,217
800 - 850	49	52	4,800 - 4,850	273	497	12,800 - 12,850	721	945	21,600 - 21,650	1,217	1,220	16,800 - 16,850	948	951	21,650 - 21,700	1,217	1,220
850 - 900	52	55	4,850 - 4,900	276	500	12,850 - 12,900	724	948	21,700 - 21,750	1,220	1,223	16,850 - 16,900	951	954	21,750 - 21,800	1,223	1,226
900 - 950	55	58	4,900 - 4,950	279	503	12,900 - 13,000	727	951	21,800 - 21,850	1,226	1,229	16,900 - 16,950	954	957	21,850 - 21,900	1,229	1,232
950 - 1,000	58	61	4,950 - 5,000	282	506	13,000 - 13,050	730	954	21,900 - 21,950	1,229	1,232	16,950 - 17,000	957	960	21,950 - 22,000	1,232	1,235
1,000 - 1,050	61	64	5,000 - 5,050	285	509	13,050 - 13,100	733	957	22,000 - 22,050	1,235	1,238	17,000 - 17,050	960	963	22,050 - 22,100	1,238	1,241
1,050 - 1,100	64	67	5,050 - 5,100	288	512	13,100 - 13,150	736	960	22,100 - 22,150	1,241	1,244	17,050 - 17,100	963	966	22,150 - 22,200	1,244	1,247
1,100 - 1,150	67	70	5,100 - 5,150	291	515	13,150 - 13,200	739	963	22,200 - 22,250	1,247	1,250	17,100 - 17,150	966	969	22,250 - 22,300	1,250	1,253
1,150 - 1,200	70	73	5,150 - 5,200	294	518	13,200 - 13,250	742	966	22,300 - 22,350	1,253	1,256	17,150 - 17,200	969	972	22,350 - 22,400	1,256	1,259
1,200 - 1,250	73	76	5,200 - 5,250	297	521	13,250 - 13,300	745	969	22,400 - 22,450	1,259	1,262	17,200 - 17,250	972	975	22,450 - 22,500	1,262	1,265
1,250 - 1,300	76	79	5,250 - 5,300	300	524	13,300 - 13,350	748	972	22,500 - 22,550	1,265	1,268	17,250 - 17,300	975	978	22,550 - 22,600	1,268	1,271
1,300 - 1,350	79	82	5,300 - 5,350	303	527	13,350 - 13,400	751	975	22,600 - 22,650	1,271	1,274	17,300 - 17,350	978	981	22,650 - 22,700	1,274	1,277
1,350 - 1,400	82	85	5,350 - 5,400	306	530	13,400 - 13,450	754	978	22,700 - 22,750	1,277	1,280	17,350 - 17,400	981	984	22,750 - 22,800	1,280	1,283
1,400 - 1,450	85	88	5,400 - 5,450	309	533	13,450 - 13,500	757	981	22,800 - 22,850	1,283	1,286	17,400 - 17,450	984	987	22,850 - 22,900	1,286	1,289
1,450 - 1,500	88	91	5,450 - 5,500	312	536	13,500 - 13,550	760	984	22,900 - 22,950	1,289	1,292	17,450 - 17,500	987	990	22,950 - 23,000	1,292	1,295
1,500 - 1,550	91	94	5,500 - 5,550	315	539	13,550 - 13,600	763	987	23,000 - 23,050	1,295	1,298	17,500 - 17,550	990	993	23,050 - 23,100	1,298	1,301
1,550 - 1,600	94	97	5,550 - 5,600	318	542	13,600 - 13,650	766	990	23,100 - 23,150	1,301	1,304	17,550 - 17,600	993	996	23,150 - 23,200	1,304	1,307
1,600 - 1,650	97	100	5,600 - 5,650	321	545	13,650 - 13,700	769	993	23,200 - 23,250	1,307	1,310	17,600 - 17,650	996	999	23,250 - 23,300	1,307	1,310
1,650 - 1,700	100	103	5,650 - 5,700	324	548	13,700 - 13,750	772	996	23,300 - 23,350	1,313	1,316	17,650 - 17,700	999	1,002	23,350 - 23,400	1,316	1,319
1,700 - 1,750	103	106	5,700 - 5,750	327	551	13,750 - 13,800	775	999	23,400 - 23,450	1,319	1,322	17,700 - 17,750	1,002	1,005	23,450 - 23,500	1,319	1,322
1,750 - 1,800	106	109	5,750 - 5,800	330	554	13,800 - 13,850	778	1,002	23,500 - 23,550	1,325	1,328	17,750 - 17,800	1,005	1,008	23,550 - 23,600	1,325	1,328
1,800 - 1,850	109	112	5,800 - 5,850	333	557	13,850 - 13,900	781	1,005	23,600 - 23,650	1,331	1,334	17,800 - 17,850	1,008	1,011	23,650 - 23,700	1,334	1,337
1,850 - 1,900	112	115	5,850 - 5,900	336	560	13,900 - 13,950	784	1,008	23,700 - 23,750	1,337	1,340	17,850 - 17,900	1,011	1,014	23,750 - 23,800	1,340	1,343
1,900 - 1,950	115	118	5,900 - 5,950	339	563	13,950 - 14,000	787	1,011	23,800 - 23,850	1,343	1,346	17,900 - 17,950	1,014	1,017	23,850 - 23,900	1,346	1,349
1,950 - 2,000	118	121	5,950 - 6,000	342	566	14,000 - 14,050	790	1,014	23,900 - 23,950	1,349	1,352	17,950 - 18,000	1,017	1,020	23,950 - 24,000	1,349	1,352
2,000 - 2,050	121	124	6,000 - 6,050	345	569	14,050 - 14,100	793	1,017	24,000 - 24,050	1,355	1,358	18,000 - 18,050	1,020	1,023	24,050 - 24,100	1,358	1,361
2,050 - 2,100	124	127	6,050 - 6,100	348	572	14,100 - 14,150	796	1,020	24,100 - 24,150	1,361	1,364	18,050 - 18,100	1,023	1,026	24,150 - 24,200	1,364	1,367
2,100 - 2,150	127	130	6,100 - 6,150	351	575	14,150 - 14,200	799	1,023	24,200 - 24,250	1,367	1,370	18,100 - 18,150	1,026	1,029	24,250 - 24,300	1,370	1,373
2,150 - 2,200	130	133	6,150 - 6,200	354	578	14,200 - 14,250	802	1,026	24,300 - 24,350	1,373	1,376	18,150 - 18,200	1,029	1,032	24,350 - 24,400	1,376	1,379
2,200 - 2,250	133	136	6,200 - 6,250	357	581	14,250 - 14,300	805	1,029	24,400 - 24,450	1,379	1,382	18,200 - 18,250	1,032	1,035	24,450 - 24,500	1,382	1,385
2,250 - 2,300	136	139	6,250 - 6,300	360	584	14,300 - 14,350	808	1,032	24,500 - 24,550	1,385	1,388	18,250 - 18,300	1,035	1,038	24,550 - 24,600	1,385	1,388
2,300 - 2,350	139	142	6,300 - 6,350	363	587	14,350 - 14,400	811	1,035	24,600 - 24,650	1,391	1,394	18,300 - 18,350	1,038	1,041	24,650 - 24,700	1,394	1,397
2,350 - 2,400	142	145	6,350 - 6,400	366	590	14,400 - 14,450	814	1,038	24,700 - 24,750	1,397	1,400	18,350 - 18,400	1,041	1,044	24,750 - 24,800	1,400	1,403
2,400 - 2,450	145	148	6,400 - 6,450	369	593	14,450 - 14,500	817	1,041	24,800 - 24,850	1,403	1,406	18,400 - 18,450	1,044	1,047	24,850 - 24,900	1,406	1,409
2,450 - 2,500	148	151	6,450 - 6,500	372	596	14,500 - 14,550	820	1,044	24,900 - 24,950	1,409	1,412	18,450					

2001 Massachusetts Income Tax Table at the **5.6% Rate**

INCOME																	
More than	But not more than	TAX	More than	But not more than	TAX	More than	But not more than	TAX	More than	But not more than	TAX	More than	But not more than	TAX	More than	But not more than	TAX
\$24,000 - \$24,050		1,345	\$28,750 - \$28,800		1,611	\$33,500 - \$33,550		1,877	\$38,250 - \$38,300		2,143	\$43,000 - \$43,050		2,409	\$47,750 - \$47,800		2,675
24,050 - 24,100		1,348	28,800 - 28,850		1,614	33,550 - 33,600		1,880	38,300 - 38,350		2,146	43,050 - 43,100		2,412	47,800 - 47,850		2,678
24,100 - 24,150		1,351	28,850 - 28,900		1,617	33,600 - 33,650		1,883	38,350 - 38,400		2,149	43,100 - 43,150		2,415	47,850 - 47,900		2,681
24,150 - 24,200		1,354	28,900 - 28,950		1,620	33,650 - 33,700		1,886	38,400 - 38,450		2,152	43,150 - 43,200		2,418	47,900 - 47,950		2,684
24,200 - 24,250		1,357	28,950 - 29,000		1,623	33,700 - 33,750		1,889	38,450 - 38,500		2,155	43,200 - 43,250		2,421	47,950 - 48,000		2,687
24,250 - 24,300		1,359	29,000 - 29,050		1,625	33,750 - 33,800		1,891	38,500 - 38,550		2,157	43,250 - 43,300		2,423	48,000 - 48,050		2,689
24,300 - 24,350		1,362	29,050 - 29,100		1,628	33,800 - 33,850		1,894	38,550 - 38,600		2,160	43,300 - 43,350		2,426	48,050 - 48,100		2,692
24,350 - 24,400		1,365	29,100 - 29,150		1,631	33,850 - 33,900		1,897	38,600 - 38,650		2,163	43,350 - 43,400		2,429	48,100 - 48,150		2,695
24,400 - 24,450		1,368	29,150 - 29,200		1,634	33,900 - 33,950		1,900	38,650 - 38,700		2,166	43,400 - 43,450		2,432	48,150 - 48,200		2,698
24,450 - 24,500		1,371	29,200 - 29,250		1,637	33,950 - 34,000		1,903	38,700 - 38,750		2,169	43,450 - 43,500		2,435	48,200 - 48,250		2,701
24,500 - 24,550		1,373	29,250 - 29,300		1,639	34,000 - 34,050		1,905	38,750 - 38,800		2,171	43,500 - 43,550		2,437	48,250 - 48,300		2,703
24,550 - 24,600		1,376	29,300 - 29,350		1,642	34,050 - 34,100		1,908	38,800 - 38,850		2,174	43,550 - 43,600		2,440	48,300 - 48,350		2,706
24,600 - 24,650		1,379	29,350 - 29,400		1,645	34,100 - 34,150		1,911	38,850 - 38,900		2,177	43,600 - 43,650		2,443	48,350 - 48,400		2,709
24,650 - 24,700		1,382	29,400 - 29,450		1,648	34,150 - 34,200		1,914	38,900 - 38,950		2,180	43,650 - 43,700		2,446	48,400 - 48,450		2,712
24,700 - 24,750		1,385	29,450 - 29,500		1,651	34,200 - 34,250		1,917	38,950 - 39,000		2,183	43,700 - 43,750		2,449	48,450 - 48,500		2,715
24,750 - 24,800		1,387	29,500 - 29,550		1,653	34,250 - 34,300		1,919	39,000 - 39,050		2,185	43,750 - 43,800		2,451	48,500 - 48,550		2,717
24,800 - 24,850		1,390	29,550 - 29,600		1,656	34,300 - 34,350		1,922	39,050 - 39,100		2,188	43,800 - 43,850		2,454	48,550 - 48,600		2,720
24,850 - 24,900		1,393	29,600 - 29,650		1,659	34,350 - 34,400		1,925	39,100 - 39,150		2,191	43,850 - 43,900		2,457	48,600 - 48,650		2,723
24,900 - 24,950		1,396	29,650 - 29,700		1,662	34,400 - 34,450		1,928	39,150 - 39,200		2,194	43,900 - 43,950		2,460	48,650 - 48,700		2,726
24,950 - 25,000		1,399	29,700 - 29,750		1,665	34,450 - 34,500		1,931	39,200 - 39,250		2,197	43,950 - 44,000		2,463	48,700 - 48,750		2,729
25,000 - 25,050		1,401	29,750 - 29,800		1,667	34,500 - 34,550		1,933	39,250 - 39,300		2,199	44,000 - 44,050		2,465	48,750 - 48,800		2,731
25,050 - 25,100		1,404	29,800 - 29,850		1,670	34,550 - 34,600		1,936	39,300 - 39,350		2,202	44,050 - 44,100		2,468	48,800 - 48,850		2,734
25,100 - 25,150		1,407	29,850 - 29,900		1,673	34,600 - 34,650		1,939	39,350 - 39,400		2,205	44,100 - 44,150		2,471	48,850 - 48,900		2,737
25,150 - 25,200		1,410	29,900 - 29,950		1,676	34,650 - 34,700		1,942	39,400 - 39,450		2,208	44,150 - 44,200		2,474	48,900 - 48,950		2,740
25,200 - 25,250		1,413	29,950 - 30,000		1,679	34,700 - 34,750		1,945	39,450 - 39,500		2,211	44,200 - 44,250		2,477	48,950 - 49,000		2,743
25,250 - 25,300		1,415	30,000 - 30,050		1,681	34,750 - 34,800		1,947	39,500 - 39,550		2,213	44,250 - 44,300		2,479	49,000 - 49,050		2,745
25,300 - 25,350		1,418	30,050 - 30,100		1,684	34,800 - 34,850		1,950	39,550 - 39,600		2,216	44,300 - 44,350		2,482	49,050 - 49,100		2,748
25,350 - 25,400		1,421	30,100 - 30,150		1,687	34,850 - 34,900		1,953	39,600 - 39,650		2,219	44,350 - 44,400		2,485	49,100 - 49,150		2,751
25,400 - 25,450		1,424	30,150 - 30,200		1,690	34,900 - 34,950		1,956	39,650 - 39,700		2,222	44,400 - 44,450		2,488	49,150 - 49,200		2,754
25,450 - 25,500		1,427	30,200 - 30,250		1,693	34,950 - 35,000		1,959	39,700 - 39,750		2,225	44,450 - 44,500		2,491	49,200 - 49,250		2,757
25,500 - 25,550		1,429	30,250 - 30,300		1,695	35,000 - 35,050		1,961	39,750 - 39,800		2,227	44,500 - 44,550		2,493	49,250 - 49,300		2,759
25,550 - 25,600		1,432	30,300 - 30,350		1,698	35,050 - 35,100		1,964	39,800 - 39,850		2,230	44,550 - 44,600		2,496	49,300 - 49,350		2,762
25,600 - 25,650		1,435	30,350 - 30,400		1,701	35,100 - 35,150		1,967	39,850 - 39,900		2,233	44,600 - 44,650		2,499	49,350 - 49,400		2,765
25,650 - 25,700		1,438	30,400 - 30,450		1,704	35,150 - 35,200		1,970	39,900 - 39,950		2,236	44,650 - 44,700		2,502	49,400 - 49,450		2,768
25,700 - 25,750		1,441	30,450 - 30,500		1,707	35,200 - 35,250		1,973	39,950 - 40,000		2,239	44,700 - 44,750		2,505	49,450 - 49,500		2,771
25,750 - 25,800		1,443	30,500 - 30,550		1,709	35,250 - 35,300		1,975	40,000 - 40,050		2,241	44,750 - 44,800		2,507	49,500 - 49,550		2,773
25,800 - 25,850		1,446	30,550 - 30,600		1,712	35,300 - 35,350		1,978	40,050 - 40,100		2,244	44,800 - 44,850		2,510	49,550 - 49,600		2,776
25,850 - 25,900		1,449	30,600 - 30,650		1,715	35,350 - 35,400		1,981	40,100 - 40,150		2,247	44,850 - 44,900		2,513	49,600 - 49,650		2,779
25,900 - 25,950		1,452	30,650 - 30,700		1,718	35,400 - 35,450		1,984	40,150 - 40,200		2,250	44,900 - 44,950		2,516	49,650 - 49,700		2,782
25,950 - 26,000		1,455	30,700 - 30,750		1,721	35,450 - 35,500		1,987	40,200 - 40,250		2,253	44,950 - 45,000		2,519	49,700 - 49,750		2,785
26,000 - 26,050		1,457	30,750 - 30,800		1,723	35,500 - 35,550		1,989	40,250 - 40,300		2,255	45,000 - 45,050		2,521	49,750 - 49,800		2,787
26,050 - 26,100		1,460	30,800 - 30,850		1,726	35,550 - 35,600		1,992	40,300 - 40,350		2,258	45,050 - 45,100		2,524	49,800 - 49,850		2,790
26,100 - 26,150		1,463	30,850 - 30,900		1,729	35,600 - 35,650		1,995	40,350 - 40,400		2,261	45,100 - 45,150		2,527	49,850 - 49,900		2,793
26,150 - 26,200		1,466	30,900 - 30,950		1,732	35,650 - 35,700		1,998	40,400 - 40,450		2,264	45,150 - 45,200		2,530	49,900 - 49,950		2,796
26,200 - 26,250		1,469	30,950 - 31,000		1,735	35,700 - 35,750		2,001	40,450 - 40,500		2,267	45,200 - 45,250		2,533	49,950 - 50,000		2,799
26,250 - 26,300		1,471	31,000 - 31,050		1,737	35,750 - 35,800		2,003	40,500 - 40,550		2,269	45,250 - 45,300		2,535	50,000 - 50,050		2,801
26,300 - 26,350		1,474	31,050 - 31,100		1,740	35,800 - 35,850		2,006	40,550 - 40,600		2,272	45,300 - 45,350		2,538	50,050 - 50,100		2,804
26,350 - 26,400		1,477	31,100 - 31,150		1,743	35,850 - 35,900		2,009	40,600 - 40,650		2,275	45,350 - 45,400		2,541	50,100 - 50,150		2,807
26,400 - 26,450		1,480	31,150 - 31,200		1,746	35,900 - 35,950		2,012	40,650 - 40,700		2,278	45,400 - 45,450		2,544	50,150 - 50,200		2,810
26,450 - 26,500		1,483	31,200 - 31,250		1,749	35,950 - 36,000		2,015	40,700 - 40,750		2,281	45,450 - 45,500		2,547	50,200 - 50,250		2,813
26,500 - 26,550		1,485	31,250 - 31,300		1,751	36,000 - 36,050		2,017	40,750 - 40,800		2,283	45,500 - 45,550		2,549	50,250 - 50,300		2,815
26,550 - 26,600		1,488	31,300 - 31,350		1,754	36,050 - 36,100		2,020	40,800 - 40,850		2,286	45,550 - 45,600		2,552	50,300 - 50,350		2,818
26,600 - 26,650		1,491	31,350 - 31,400		1,75												

2001 Massachusetts Income Tax Table at the **5.6% Rate**

INCOME																	
More than	But not more than	TAX	More than	But not more than	TAX	More than	But not more than	TAX	More than	But not more than	TAX	More than	But not more than	TAX	More than	But not more than	TAX
\$52,500	-\$52,550	\$2,941	\$57,250	-\$57,300	\$3,207	\$62,000	-\$62,050	\$3,473	\$66,750	-\$66,800	\$3,739	\$71,500	-\$71,550	\$4,005	\$76,250	-\$76,300	\$4,271
52,550	52,600	2,944	57,300	57,350	3,210	62,050	62,100	3,476	66,800	66,850	3,742	71,550	71,600	4,008	76,300	76,350	4,274
52,600	52,650	2,947	57,350	57,400	3,213	62,100	62,150	3,479	66,850	66,900	3,745	71,600	71,650	4,011	76,350	76,400	4,277
52,650	52,700	2,950	57,400	57,450	3,216	62,150	62,200	3,482	66,900	66,950	3,748	71,650	71,700	4,014	76,400	76,450	4,280
52,700	52,750	2,953	57,450	57,500	3,219	62,200	62,250	3,485	66,950	67,000	3,751	71,700	71,750	4,017	76,450	76,500	4,283
52,750	52,800	2,955	57,500	57,550	3,221	62,250	62,300	3,487	67,000	67,050	3,753	71,750	71,800	4,019	76,500	76,550	4,285
52,800	52,850	2,958	57,550	57,600	3,224	62,300	62,350	3,490	67,050	67,100	3,756	71,800	71,850	4,022	76,550	76,600	4,288
52,850	52,900	2,961	57,600	57,650	3,227	62,350	62,400	3,493	67,100	67,150	3,759	71,850	71,900	4,025	76,600	76,650	4,291
52,900	52,950	2,964	57,650	57,700	3,230	62,400	62,450	3,496	67,150	67,200	3,762	71,900	71,950	4,028	76,650	76,700	4,294
52,950	53,000	2,967	57,700	57,750	3,233	62,450	62,500	3,499	67,200	67,250	3,765	71,950	72,000	4,031	76,700	76,750	4,297
53,000	53,050	2,969	57,750	57,800	3,235	62,500	62,550	3,501	67,250	67,300	3,767	72,000	72,050	4,033	76,750	76,800	4,299
53,050	53,100	2,972	57,800	57,850	3,238	62,550	62,600	3,504	67,300	67,350	3,770	72,050	72,100	4,036	76,800	76,850	4,302
53,100	53,150	2,975	57,850	57,900	3,241	62,600	62,650	3,507	67,350	67,400	3,773	72,100	72,150	4,039	76,850	76,900	4,305
53,150	53,200	2,978	57,900	57,950	3,244	62,650	62,700	3,510	67,400	67,450	3,776	72,150	72,200	4,042	76,900	76,950	4,308
53,200	53,250	2,981	57,950	58,000	3,247	62,700	62,750	3,513	67,450	67,500	3,779	72,200	72,250	4,045	76,950	77,000	4,311
53,250	53,300	2,983	58,000	58,050	3,249	62,750	62,800	3,515	67,500	67,550	3,781	72,250	72,300	4,047	77,000	77,050	4,313
53,300	53,350	2,986	58,050	58,100	3,252	62,800	62,850	3,518	67,550	67,600	3,784	72,300	72,350	4,050	77,050	77,100	4,316
53,350	53,400	2,989	58,100	58,150	3,255	62,850	62,900	3,521	67,600	67,650	3,787	72,350	72,400	4,053	77,100	77,150	4,319
53,400	53,450	2,992	58,150	58,200	3,258	62,900	62,950	3,524	67,650	67,700	3,790	72,400	72,450	4,056	77,150	77,200	4,322
53,450	53,500	2,995	58,200	58,250	3,261	62,950	63,000	3,527	67,700	67,750	3,793	72,450	72,500	4,059	77,200	77,250	4,325
53,500	53,550	2,997	58,250	58,300	3,263	63,000	63,050	3,529	67,750	67,800	3,795	72,500	72,550	4,061	77,250	77,300	4,327
53,550	53,600	3,000	58,300	58,350	3,266	63,050	63,100	3,532	67,800	67,850	3,798	72,550	72,600	4,064	77,300	77,350	4,330
53,600	53,650	3,003	58,350	58,400	3,269	63,100	63,150	3,535	67,850	67,900	3,801	72,600	72,650	4,067	77,350	77,400	4,333
53,650	53,700	3,006	58,400	58,450	3,272	63,150	63,200	3,538	67,900	67,950	3,804	72,650	72,700	4,070	77,400	77,450	4,336
53,700	53,750	3,009	58,450	58,500	3,275	63,200	63,250	3,541	67,950	68,000	3,807	72,700	72,750	4,073	77,450	77,500	4,339
53,750	53,800	3,011	58,500	58,550	3,277	63,250	63,300	3,543	68,000	68,050	3,809	72,750	72,800	4,075	77,500	77,550	4,341
53,800	53,850	3,014	58,550	58,600	3,280	63,300	63,350	3,546	68,050	68,100	3,812	72,800	72,850	4,078	77,550	77,600	4,344
53,850	53,900	3,017	58,600	58,650	3,283	63,350	63,400	3,549	68,100	68,150	3,815	72,850	72,900	4,081	77,600	77,650	4,347
53,900	53,950	3,020	58,650	58,700	3,286	63,400	63,450	3,552	68,150	68,200	3,818	72,900	72,950	4,084	77,650	77,700	4,350
53,950	54,000	3,023	58,700	58,750	3,289	63,450	63,500	3,555	68,200	68,250	3,821	72,950	73,000	4,087	77,700	77,750	4,353
54,000	54,050	3,025	58,750	58,800	3,291	63,500	63,550	3,557	68,250	68,300	3,823	73,000	73,050	4,089	77,750	77,800	4,355
54,050	54,100	3,028	58,800	58,850	3,294	63,550	63,600	3,560	68,300	68,350	3,826	73,050	73,100	4,092	77,800	77,850	4,358
54,100	54,150	3,031	58,850	58,900	3,297	63,600	63,650	3,563	68,350	68,400	3,829	73,100	73,150	4,095	77,850	77,900	4,361
54,150	54,200	3,034	58,900	58,950	3,300	63,650	63,700	3,566	68,400	68,450	3,832	73,150	73,200	4,098	77,900	77,950	4,364
54,200	54,250	3,037	58,950	59,000	3,303	63,700	63,750	3,569	68,450	68,500	3,835	73,200	73,250	4,101	77,950	78,000	4,367
54,250	54,300	3,039	59,000	59,050	3,305	63,750	63,800	3,571	68,500	68,550	3,837	73,250	73,300	4,103	78,000	78,050	4,369
54,300	54,350	3,042	59,050	59,100	3,308	63,800	63,850	3,574	68,550	68,600	3,840	73,300	73,350	4,106	78,050	78,100	4,372
54,350	54,400	3,045	59,100	59,150	3,311	63,850	63,900	3,577	68,600	68,650	3,843	73,350	73,400	4,109	78,100	78,150	4,375
54,400	54,450	3,048	59,150	59,200	3,314	63,900	63,950	3,580	68,650	68,700	3,846	73,400	73,450	4,112	78,150	78,200	4,378
54,450	54,500	3,051	59,200	59,250	3,317	63,950	64,000	3,583	68,700	68,750	3,849	73,450	73,500	4,115	78,200	78,250	4,381
54,500	54,550	3,053	59,250	59,300	3,319	64,000	64,050	3,585	68,750	68,800	3,851	73,500	73,550	4,117	78,250	78,300	4,383
54,550	54,600	3,056	59,300	59,350	3,322	64,050	64,100	3,588	68,800	68,850	3,854	73,550	73,600	4,120	78,300	78,350	4,386
54,600	54,650	3,059	59,350	59,400	3,325	64,100	64,150	3,591	68,850	68,900	3,857	73,600	73,650	4,123	78,350	78,400	4,389
54,650	54,700	3,062	59,400	59,450	3,328	64,150	64,200	3,594	68,900	68,950	3,860	73,650	73,700	4,126	78,400	78,450	4,392
54,700	54,750	3,065	59,450	59,500	3,331	64,200	64,250	3,597	68,950	69,000	3,863	73,700	73,750	4,129	78,450	78,500	4,395
54,750	54,800	3,067	59,500	59,550	3,333	64,250	64,300	3,599	69,000	69,050	3,865	73,750	73,800	4,131	78,500	78,550	4,397
54,800	54,850	3,070	59,550	59,600	3,336	64,300	64,350	3,602	69,050	69,100	3,868	73,800	73,850	4,134	78,550	78,600	4,400
54,850	54,900	3,073	59,600	59,650	3,339	64,350	64,400	3,605	69,100	69,150	3,871	73,850	73,900	4,137	78,600	78,650	4,403
54,900	54,950	3,076	59,650	59,700	3,342	64,400	64,450	3,608	69,150	69,200	3,874	73,900	73,950	4,140	78,650	78,700	4,406
54,950	55,000	3,079	59,700	59,750	3,345	64,450	64,500	3,611	69,200	69,250	3,877	73,950	74,000	4,143	78,700	78,750	4,409
55,000	55,050	3,081	59,750	59,800	3,347	64,500	64,550	3,613	69,250	69,300	3,879	74,000	74,050	4,145	78,750	78,800	4,411
55,050	55,100	3,084	59,800	59,850	3,350	64,550	64,600	3,616	69,300	69,350	3,882	74,050	74,100	4,148	78,800	78,850	4,414
55,100	55,150	3,087	59,850	59,900	3,353	64,600	64,650	3,619	69,350	69,400	3,885	74,100	74,150	4,151	78,850	78,900	4,417
55,150	55,200	3,090	59,900	59,950	3,356	64,650	64,700	3,622	69,400	69,450	3,888	74,150</					

Massachusetts

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Pittsburgh, PA 15222

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Dear Taxpayer:

The Massachusetts Department of Revenue's website, www.mass.gov/dor is a comprehensive resource, providing businesses with the information needed to meet their tax obligations and other business requirements, 24 hours a day, seven days a week.

At www.mass.gov/dor, business owners can register as employers or vendors (or update their records with DOR), report newly hired employees, file meals and room occupancy taxes and make corporate quarterly income tax payments online. Businesses will also find fill-in tax forms where information can be entered online and then printed out for filing, and free software for filing and paying withholding, sales and use taxes via personal computer. Also available are Massachusetts tax forms, helpful publications, and links to unemployment insurance, workers' compensation, and other business-related information.

The site also provides information on the Department's Small Business Workshops. Offered regularly at various locations across the Commonwealth, these free workshops cover numerous topics of importance to new businesses, including registration, income tax withholding, estimated taxes, filing deadlines, sales, use and meals taxes, new hire reporting, certificates and exemptions.

For further information, please visit www.mass.gov/dor or call the Department's Customer Service Bureau at (617) 887-MDOR or toll-free in Massachusetts at (800) 392-6089.

Sincerely,



Bernard F. Crowley, Jr.

Acting Commissioner