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Commonwealth of Massachusetts

Department of Revenue

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# 1999 Massachusetts Fiduciary Income Tax **Form 2**

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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. If you received this booklet in the mail, check the preaddressed label for correct name(s), address and Social Security number(s). If this information is correct, use this label. If this information is incorrect, print the corrections on the form before filing it with DOR. 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 1999

### Increase in Personal Exemptions

The following personal exemption amounts are applicable for tax year 1999: married filing jointly — \$8,800; head of household — \$6,800; and single or married filing separately — \$4,400.

### No Tax Status/Limited Income Credit Thresholds

Because eligibility for No Tax Status for joint filers and heads of household is based in part on the personal exemption amounts, the threshold for No Tax Status for these taxpayers has been changed to reflect changes to the personal exemptions. The Limited Income Credit calculation is similarly affected.

**Joint Filers.** No tax is imposed if the Massachusetts adjusted gross income (AGI) does not exceed \$16,400 plus \$1,000 per dependent. Joint filers are eligible for the Limited Income Credit if Massachusetts AGI does not exceed \$28,700 plus \$1,750 per dependent.

**Heads of Household.** No tax is imposed if Massachusetts adjusted gross income (AGI) does not exceed \$14,400 plus \$1,000 per dependent. Heads of household are eligible for the Limited Income Credit if Massachusetts AGI does not exceed \$25,200 plus \$1,750 per dependent.

**Single Filers.** No Tax Status for single filers is unaffected by the increase in the personal exemption amount. For single filers, no tax is imposed if the taxpayer's Massachusetts AGI does not exceed \$8,000. Single filers are eligible for the Limited Income Credit if Massachusetts AGI does not exceed \$14,000.

**Note:** If married filing separately, you do not qualify for No Tax Status or the Limited Income Credit.

### Massachusetts Adopts the U.S. Internal Revenue Code (IRC) as of January 1, 1998

Massachusetts generally adopts the federal treatment of items of income and the federal exclusions from gross income. In addition, certain deductions allowed for federal tax purposes are allowed for

Massachusetts tax purposes. With certain exceptions, Massachusetts now adopts the Internal Revenue Code as amended and in effect on January 1, 1998. The exceptions, which will be treated according to the current Internal Revenue Code, are listed below. See Technical Information Release (TIR) 98-15 for an explanation of the major changes to the Massachusetts personal income tax provisions as a result of the adoption of the January 1, 1998 Internal Revenue Code.

### 1998 Federal Law Changes Not Adopted by Massachusetts

• **Parking, Transit Pass and Vanpool Fringe Benefits — IRC Sec. 132(f).** Generally, Massachusetts follows the exclusion from an employee's gross income for employer-provided parking, transit pass and vanpool benefits. However, two federal acts subsequent to January 1, 1998, have created differences between the Massachusetts and federal treatment of this exclusion. Specifically, the exclusion amounts are higher for Massachusetts purposes, and Massachusetts will not allow an exclusion for transit pass and vanpool benefits unless they are provided by an employer without charge to the employee. These differences will be reflected in the Form W-2 provided by your employer.

• **Self-Employed Health Insurance Deduction — IRC Sec. 162(l).** A federal and Massachusetts deduction is allowed for amounts paid for medical care insurance for a self-employed taxpayer and his or her spouse and dependents. For federal purposes the deduction will be 60% of the qualified insurance payments for the 1999 tax year. However, due to differences between the Internal Revenue Code as amended and in effect as of January 1, 1998, and the current year, only 45% of the qualified insurance payments are deductible for Massachusetts purposes for the 1999 tax year.

• **Savings Incentive Match Plan for Employees (SIMPLE Accounts).** Under federal tax law, SIMPLE tax-favored retirement plans can be established under IRC sec. 401(k) or IRC sec. 408(p). Contributions to SIMPLE plans on behalf of employees are excluded from federal and Massachusetts gross income. However, Massachusetts does not allow personal income tax deductions for contributions to SIMPLE plans on behalf of self-employed taxpayers. For more information, see DOR Directive 99-7.

### Massachusetts Adopts the Current (post-1998 changes) U.S. Internal Revenue Code for Certain Federal Tax Provisions

The areas in which Massachusetts applies the current (which will include changes that have taken place after January 1, 1998) Internal Revenue Code consist of:

- exclusions of certain income derived from Roth IRAs as defined in IRC sec. 408A and Education IRAs as defined in IRC sec. 530;
- treatment of rollovers from a traditional to Roth IRA, including the special four-tax-year averaging provision, if elected, in tax year 1998;
- exclusion of gain from the sale of a personal residence provided by IRC sec. 121;
- deduction of trade or business expenses under IRC sec. 162(a); and
- the limitations provided by IRC secs. 274(m) and (n) for the deduction of certain travel and meals and entertainment expenses.

For more information, see TIR 98-8 and TIR 98-15.

## **Tax Lowered on Interest and Dividends**

Applicable to tax years beginning on or after January 1, 1999, the tax rate on dividends and interest (other than interest from Massachusetts banks) is lowered from 12% to 5.95%. Massachusetts bank interest continues to be taxed at 5.95% for tax year 1999. 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.

## **Capital Gains Tax Calculation Changed**

Long-term capital losses are now allowed to be applied against long-term and short-term capital gains. First, long term gains are applied against long-term losses within each holding period. For example, 5% gains are applied against 5% losses, 4% gains are applied against 4% losses, 3% gains are applied against 3% losses and 2% gains are applied against 2% 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 against 5% gains, then any remaining loss is applied against 4% gains, and any loss still remaining then is applied against 2% gains.

Certain long-term capital losses may now be applied against short-term capital gains and long-term capital gains on collectibles and pre-1996 installment sales and then against interest (other than from Massachusetts banks) and dividend income.

Certain short-term capital losses may now be applied against long-term capital gains. This application is from the highest tax rate to the lowest. Unused losses can be carried forward as short-term losses in 2000.

Business losses may now be deducted from long-term capital gains. Business losses continue to be deductible against 5.95% income and may be applied to reduce short-term capital gains and interest (other than from Massachusetts banks) and dividend income connected to the taxpayer's business.

All of these changes are retroactive to 1996. If any of the changes reduce your tax for 1996, 1997 or 1998, you may claim a credit on your 1999 tax return based on the amount of tax savings for those years. Alternatively, to the extent that the new law lowers your tax for any of these prior years, you may apply for an abatement of a portion of the tax you paid using Form CA-6.

**Note:** For a detailed explanation of the new law, see TIR 99-17.

## **Tax Lowered on Capital Gains/Change in Tax Rates**

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 be deemed not to have begun prior to January 1, 1995. The lower tax rates, ranging from 5% to 0%, will be gradually phased in over six years as holding periods increase from the deemed commencement date. The law expands the definition of a capital asset and allocates capital gains and losses into either 12% income or long-term capital gain income based on the capital asset's character and holding period. There are special rules for collectibles that are capital assets such as antiques, gems, and works of art.

The law defines "capital gain income" 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 sec. 1231(b) without regard to the holding period as defined in said sec. 1231(b).

Applicable to tax years beginning on or after January 1, 1996, reduced tax rates on long-term capital gains will be phased in year by year over a six-year period. The applicable tax rate is 5% if the capital asset was held for more than one year but not more than two years, 4% if the capital asset was held for more than two years but not more than three years, 3% if the capital asset was held for more than three years but not more than four years, and 2% if the capital asset was held for more than four years. For each subsequent tax year, the longest possible holding period increases by one year, and lower tax rates apply accordingly. By tax year 2001 when the law is fully operational, gains on the sale of capital assets held more than one year will be taxed at the following rates: assets held for more than one year but less than or equal to two years will be taxed at 5%; more than two years but less than or equal to three years will be taxed at 4%; more than three years but less than or equal to four years will be taxed at 3%; more than four years but less than or equal to five years will be taxed at 2%; and more than five years but less than or equal to six years will be taxed at 1%. Capital assets held for more than six years will not be subject to tax.

**Note:** For a detailed explanation of the new law, see Proposed Regulation on Capital Gains and Losses, 830 CMR 62.4.1.

As a result of the above changes, the various classes of Massachusetts gross income are now allocated among three categories:

- 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, and those held for more than four years are taxed as 2% income in tax year 1999. Allowable deductions from these items of income include losses on the sale of capital assets held for more than one year, certain losses on the sale of capital assets held for one year or less, allowable deductions from your trade or business, and excess exemptions.
- Dividends and interest (other than interest from Massachusetts banks) are taxed at the rate of 5.95% for tax year 1999. 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. Allowable deductions from these items of income include allowable deductions from your trade or business, losses on the sale of capital assets held for one year or less, certain losses on the sale of capital assets held for more than one year, a 50% deduction for gains on the sale of collectibles and pre-1996 installment sales classified as capital gain income held for more than one year, and excess exemptions.
- 5.95% income will continue to consist of all income (except dividends and interest, other than interest from Massachusetts banks) that is not 5% income, 4% income, 3% income, 2% income, or 12% income, including such items as wages, pensions, business income, rents, alimony, and Massachusetts bank interest.

## **Brownfields Tax Credit**

Effective for tax years beginning on or after January 1, 1999, 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 maximum amount of credit that may be taken in any taxable year may not exceed 50% of the taxpayer's personal income tax liability for the taxable year. A five-year carryover of unused credit is allowed, provided the taxpayer continues to maintain the remedies required by law. For more information, see TIR 99-13.

### **Military Personnel Serving in Kosovo**

As a result of Executive Order No. 13119 issued by President Clinton on April 13, 1999, declaring the Kosovo area as a combat zone, military and support personnel who served in Kosovo are given extra time to file income tax returns and pay income taxes due. The extension period is for 180 days, in addition to the period of service or a hospitalization attributable to such service. Pay received by a member of the United States armed forces on active duty in a combat zone during the taxable year is excluded from Massachusetts gross income to the same extent it is excluded from federal gross income under Sec. 112 of the Internal Revenue Code. For more information, see TIR 99-6.

## **Common Form 2 Mistakes**

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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 1099R that show Mass. 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 18, 2000**. 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, 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 5.95% 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 2000?

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; Schedule B, line 26; Schedule D, line 22, columns A, B, C and D; and Schedule D-1, line 1, columns A, B, C and D.

### 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.

## 5.95% 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 5.95% Income

Other 5.95% 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 5.95% Income

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

### Line 19. Modified Gross 5.95% 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 5.95% 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 5.95% 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.
- One \$1,200 amount may be deducted if at least one dependent member of the decedent's household was under age 12 at the close of the taxable year in which the decedent's death falls. Only one \$1,200 amount may be claimed, regardless of the number of dependents under age 12, and it may only be claimed as long as no employment-related expense deduction is taken.
- 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 \$2,500. 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 45% 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 5.95% 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 5.95%**

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 .0595, 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. Total Tax**

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

**Line 42. 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 enclose 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, 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 for more information. If you qualify for this credit, complete and enclose Massachusetts Schedule SC, Septic Credit, and fill in the appropriate oval in Part 1.

#### **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.

#### **Line 43. Tax After Credits**

Subtract line 42 (total credits) from line 41 and enter the result in line 43.

#### **Line 44. 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 44. 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 45. 1998 Overpayment Applied to your 1999 Estimated Tax**

Include the exact amount of any 1998 overpayment you applied to your 1999 estimated taxes on your 1998 Massachusetts Form 2, line 49. Do not include any 1998 refund in this line.

#### **Line 46. 1999 Massachusetts Estimated Tax Payments**

Enter the total amount of Massachusetts estimated income tax payments made for 1999. Do not include the amount in line 45.

#### **Line 47. 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 1999 on or before the due date of the return, enter in line 47 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  $\frac{1}{2}\%$  per month, up to a maximum of 25% from the due date of the return.

#### **Line 48. Capital Gains Tax Credit from Previous Years**

Recent legislation made changes to the calculation of tax on capital gains and interest and dividends. These changes are retroactive to 1996. If any of the changes reduce the amount of tax for 1996, 1997 or 1998, you may recalculate your tax for those prior years. The difference in the amount of tax previously paid and the amount of tax calculated under the new legislation may be claimed in several ways. You may apply for a refund of the difference or it may be claimed as a credit on the succeeding years tax form. If you elect the option to claim a credit on the succeeding years tax form, enter in line 48 the amount of the credit as calculated on Schedule CGT, Capital Gains Tax Recalculation.

If you had capital gains and losses in 1996, 1997 and/or 1998 and wish to recalculate your tax based on these new provisions, you can obtain Schedule CGT, Capital Gains Tax Recalculation and Instructions by visiting DOR's website at [www.state.ma.us/dor](http://www.state.ma.us/dor). This information is also available by calling DOR at (617) 887-MDOR or toll-free in Massachusetts at 1-800-392-6089, and pressing option 2 for tax forms.

For a detailed explanation of the new law, see TIR 99-17.

#### **Line 49. Payment with Original Return**

Use this line if you are amending the original return. Enter in line 46 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 46, 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, 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 44 through 49, and enter the total in line 50.

### **Line 51. Overpayment**

If line 43 is smaller than line 50, subtract line 43 from line 50, and enter the result in line 51. This is the amount of the overpayment. If line 43 is larger than line 50, skip to line 54.

### **Line 52. Amount of Overpayment to be Applied to 2000 Massachusetts Estimated Taxes**

Enter the amount of the 1999 overpayment from line 51 that you want applied to your 2000 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 43, subtract line 50 from line 43, 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  $\frac{1}{2}\%$  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, 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 51 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 18, 2000**. 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 5.95%;
- 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 and D.

### 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 1998 Massachusetts Schedule B, line 23.

**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 or D 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 14-15. If Schedule B, line 20 is a loss and all the amounts in Schedule D, line 16, columns A, B, C or D 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 14-15 only if Schedule B, line 20 is a loss and any amount in Schedule D, line 18, columns A, B, C or D 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 23 on line 31. If line 23 is a positive amount and any amount in Schedule D, line 16, columns A, B, C or D 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 15. If line 22 is a positive amount and any amount in Schedule D, line 16, columns A, B, C or D 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 15 only if Schedule B, line 22 is a positive amount and any amount in Schedule D, line 16, columns A, B, C or D 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 5.95%**

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 2000**

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 or D is a positive amount). Enter all losses as positive amounts.*

- A. Enter amount from Schedule B, line 20 as a positive amount. ....*
- B. Enter any gain from Schedule D, line 18, column A. Otherwise, enter "0". ....*
- C. If item A is smaller than or equal to item B, enter item A here and in Schedule D, line 19, column A. If item A is larger than item B, enter item B here and in Schedule D, line 19, column A. ....*
- D. Subtract item C from item A. Enter result here. If "0," omit items E through L and complete item M. Otherwise, complete items E through G. ....*
- E. Enter any gain from Schedule D, line 18, column B. Otherwise, enter "0". ....*

*Worksheet continues on next page ...*

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- F.** If item D is smaller than or equal to item E, enter item D here and in Schedule D, line 19, column B. If item D is larger than item E, enter item E here and in Schedule D, line 19, column B. . . . . \_\_\_\_\_
- G.** Subtract item F from item D. Enter result here. If "0," omit items H through L and complete item M. Otherwise, complete items H through J . . . \_\_\_\_\_
- H.** Enter any gain from Schedule D, line 18, column C. Otherwise, enter "0". . . . . \_\_\_\_\_
- I.** If item G is smaller than or equal to item H, enter item G here and in Schedule D, line 19, column C. If item G is larger than item H, enter item H here and in Schedule D, line 19, column C. . . . . \_\_\_\_\_
- J.** Subtract item I from item G. Enter result here. If "0," omit items K and L and complete item M. Otherwise, complete items K through M. . . . . \_\_\_\_\_
- K.** Enter any gain from Schedule D, line 18, column D. Otherwise, enter "0" . . . . . \_\_\_\_\_
- L.** If item J is smaller than or equal to item K, enter item J here and in Schedule D, line 19, column D. If item J is larger than item K, enter item K here and in Schedule D, line 19, column D. . . . . \_\_\_\_\_
- M.** Add items C, F, I and L. 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 or D is a loss). Enter all losses as a positive amount.**

- A.** Enter amount from Schedule B, line 22 . . . . . \_\_\_\_\_
- B.** Enter any loss from Schedule D, line 16, column A as a positive amount. Otherwise, enter "0". . . . . \_\_\_\_\_
- C.** If item A is smaller than or equal to item B, enter item A here and in Schedule D, line 17, column A. If item A is larger than item B, enter item B here and in Schedule D, line 17, column A . . . . . \_\_\_\_\_
- D.** Subtract item C from item A. Enter result here. If "0," omit items E through L and complete item M. Otherwise, complete items E through G . . . . . \_\_\_\_\_
- E.** Enter any loss from Schedule D, line 16, column B as a positive amount. Otherwise, enter "0". . . . . \_\_\_\_\_
- F.** If item D is smaller than or equal to item E, enter item D here and in Schedule D, line 17, column B. If item D is larger than item E, enter item E here and in Schedule D, line 17, column B. . . . . \_\_\_\_\_
- G.** Subtract item F from item D. Enter result here. If "0," omit items H through L and complete item M. Otherwise, complete items H through J . . . . . \_\_\_\_\_
- H.** Enter any loss from Schedule D, line 16, column C as a positive amount. Otherwise, enter "0". . . . . \_\_\_\_\_
- I.** If item G is smaller than or equal to item H, enter item G here and in Schedule D, line 17, column C. If item G is larger than item H, enter item H here and in Schedule D, line 17, column C. . . . . \_\_\_\_\_
- J.** Subtract item I from item G. Enter result here. If "0," omit items K and L and complete item M. Otherwise, complete items K through M. . . . . \_\_\_\_\_
- K.** Enter any loss from Schedule D, line 16, column D as a positive amount. Otherwise, enter "0". . . . . \_\_\_\_\_

Worksheet continues on next column ...

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- L.** If item J is smaller than or equal to item K, enter item J here and in Schedule D, line 17, column D. If item J is larger than item K, enter item K here and in Schedule D, line 17, column D. . . . . \_\_\_\_\_
- M.** Add items C, F, I and L. 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 1999 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 (column C) and 2% if the capital asset was held more than four years (column D).

"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 1999 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.

**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.

**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.

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.

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.

**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.

**Line 7. Carryover Losses from Previous Years**

If you recalculated your capital gains and losses and now have a carryover loss from a prior year, enter in line 7 the amount of carryover losses from prior years from your recalculated 1998 Schedule D.

If you had capital gains and losses in 1996, 1997 and/or 1998 and wish to recalculate your tax based on these new provisions, you can obtain Schedule CGT, Capital Gains Tax Recalculation and Instructions by visiting DOR's website at [www.state.ma.us/dor](http://www.state.ma.us/dor). This information is also available by calling DOR at (617) 887-MDOR or toll-free in Massachusetts at 1-800-392-6089, and pressing option 2 for tax forms.

If you did not recalculate your capital gains and losses from prior years, multiply any amount from your 1998 Massachusetts Schedule D, line 22 by 20 and enter the result in line 7, column A.

For a detailed explanation of the new law, see TIR 99-17.

**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 6, column D and enter the result in line 8, column D.

### **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 10 ("Differences"). The amount of such gain classified as ordinary income should then be reported on Form 2, line 17 ("Other income") and identified as "1999 gain from pre-1996 installment sale."

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

### **Line 12. Massachusetts 1999 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 and that are included above. Add: line 13, column A; line 13 column B; line 13, column C and line 13, column D 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 "1999 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.

If any amount in Schedule D, line 14, columns A, B, C or D is a gain and any amount in Schedule D, line 14, columns A, B, C or D is a loss, complete the Long-Term Capital Losses Applied Against Long-Term Capital Gains Worksheet for Schedule D, Line 15 on pages 18–19.

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 15.

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 14–15.

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 or D is a gain and any amount in Schedule D, line 14, columns A, B, C or D is a loss.

This worksheet was designed to implement recent legislation that provides 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 and 2% gains are applied against 2% 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.state.ma.us/dor](http://www.state.ma.us/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 or D is a gain and any amount in Schedule D, line 14, columns A, B, C or D is a loss)**

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

- A. Enter any gain from Sched. D, line 14, column A. \_\_\_\_\_
- B. 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". \_\_\_\_\_
- C. If item A is smaller than or equal to item B, enter item A here. If item A is larger than item B, enter item B here. \_\_\_\_\_
- D. Subtract item C from item A. Enter result here. . . \_\_\_\_\_
- E. If item D is "0," enter "0" in items E–J and go to Part 2. If item D 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". \_\_\_\_\_
- F. If item D is smaller than or equal to item E, enter item D here. If item D is larger than item E, enter item E here. \_\_\_\_\_
- G. Subtract item F from item D. Enter result here. . . \_\_\_\_\_
- H. If item G is "0," enter "0" in items H–J and go to Part 2. If item G 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". \_\_\_\_\_
- I. If item G is smaller than or equal to item H, enter item G here. If item G is larger than item H, enter item H here. \_\_\_\_\_
- J. Subtract item I from item G. Enter result here. . . \_\_\_\_\_

**Part 2. Complete only if you have a gain in Schedule D, line 14, column B. Otherwise, enter "0" in items K–X and go to Part 3.**

- K. Enter any gain from Sched. D, line 14, column B. \_\_\_\_\_
- L. 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". \_\_\_\_\_
- M. If item K is smaller than or equal to item L, enter item K here. If item K is larger than item L, enter item L here. \_\_\_\_\_
- N. Subtract item M from item K. Enter result here. . . \_\_\_\_\_
- O. If item N is "0," enter "0" in items O–X and go to Part 3. If item N 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". \_\_\_\_\_
- P. Enter the amount from item F. \_\_\_\_\_
- Q. Subtract item P from item O. Enter the result here. \_\_\_\_\_

Worksheet continues on next column ...

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- R. If item N is smaller than or equal to item Q, enter item N here. If item N is larger than item Q, enter item Q here. \_\_\_\_\_
- S. Subtract item R from item N. Enter result here. \_\_\_\_\_
- T. If item S is "0," enter "0" in items T–X and go to Part 3. If item S 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". \_\_\_\_\_
- U. Enter the amount from item I. \_\_\_\_\_
- V. Subtract item U from item T. Enter the result here. \_\_\_\_\_
- W. If item S is smaller than or equal to item V, enter item S here. If item S is larger than item V, enter item V here. \_\_\_\_\_
- X. Subtract item W from item S. Enter result here. \_\_\_\_\_

**Part 3. Complete only if you have a gain in Schedule D, line 14, column C. Otherwise, enter "0" in items Y–NN and go to Part 4.**

- Y. Enter any gain from Schedule D, line 14, column C. \_\_\_\_\_
- Z. 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". \_\_\_\_\_
- AA. Enter the amount from item M. \_\_\_\_\_
- BB. Subtract item AA from item Z. Enter the result here. \_\_\_\_\_
- CC. If item Y is smaller than or equal to item BB, enter item Y here. If item Y is larger than item BB, enter item BB here. \_\_\_\_\_
- DD. Subtract item CC from item Y. Enter result here. \_\_\_\_\_
- EE. If item DD is "0," enter "0" in items EE–NN and go to Part 4. If item DD 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". \_\_\_\_\_
- FF. Enter the amount from item C. \_\_\_\_\_
- GG. Subtract item FF from item EE. Enter result here. \_\_\_\_\_
- HH. If item DD is smaller than or equal to item GG, enter item DD here. If item DD is larger than item GG, enter item GG here. \_\_\_\_\_
- II. Subtract item HH from item DD. Enter result here. \_\_\_\_\_
- JJ. If item II is "0," enter "0" in items JJ–NN and go to Part 4. If item II 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". \_\_\_\_\_
- KK. Add item I and item W. Enter the result here. . . \_\_\_\_\_
- LL. Subtract item KK from item JJ. Enter the result here. \_\_\_\_\_
- MM. If item II is smaller than or equal to item LL, enter item II here. If item II is larger than item LL, enter item LL here. \_\_\_\_\_
- NN. Subtract item MM from item II. Enter result here. \_\_\_\_\_

**Part 4. Complete only if you have a gain in Schedule D, line 14, column D. Otherwise, enter "0" in items OO–DDD and go to Part 5.**

- OO. Enter any gain from Schedule D, line 14, column D. \_\_\_\_\_
- PP. 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". \_\_\_\_\_
- QQ. Add item M and item CC. Enter the result here. \_\_\_\_\_
- RR. Subtract item QQ from item PP. Enter the result here. \_\_\_\_\_
- SS. If item OO is smaller than or equal to item RR, enter item OO here. If item OO is larger than item RR, enter item RR here. \_\_\_\_\_

Worksheet continues on next page ...

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**TT.** Subtract item SS from item OO. Enter result here .....

**UU.** If item TT is "0," enter "0" in items UU-DDD and go to Part 5. If item TT 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" .....

**VV.** Add item C and item HH. Enter the result here .....

**WW.** Subtract item VV from item UU. Enter the result here .....

**XX.** If item TT is smaller than or equal to item WW, enter item TT here. If item TT is larger than item WW, enter item WW here .....

**YY.** Subtract item XX from item TT. Enter result here .....

**ZZ.** If item YY is "0," enter "0" in items ZZ-DDD and go to Part 5. If item YY 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" .....

**AAA.** Add item F and item R. Enter the result here .....

**BBB.** Subtract item AAA from item ZZ. Enter the result here .....

**CCC.** If item YY is smaller than or equal to item BBB, enter item YY here. If item YY is larger than item BBB, enter item BBB here .....

**DDD.** Subtract item CCC from item YY. Enter result here .....

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

**EEE.** If Schedule D line 14, column A is a gain, add item C, item F and item I. Enter the 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 item M, item CC and item SS. Enter the 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 .....

**FFF.** If Schedule D line 14, column B is a gain, add item M, item R and item W. Enter the 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 item C, item HH and item XX. Enter the 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 .....

**GGG.** If Schedule D line 14, column C is a gain, add item CC, item HH and item MM. Enter the 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 item F, item R and item CCC. Enter the 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 .....

**HHH.** If Schedule D line 14, column D is a gain, add item SS, item XX and item CCC. Enter the 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 item I, item W and item MM. Enter the 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 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.

**Note:** After completing Schedule D, line 15, all amounts in Schedule D, line 16, columns A, B, C and D 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 15.

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 14-15.

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, column A, B, C or D 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 18, column D.

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 14-15.

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, column A, B, C or D 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."

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 5.95% trade or business deductions to offset other income. However, Massachusetts law allows such offsets if the following requirements are met: the excess 5.95% 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.

**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."

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 and D as applicable. Enter the amount applicable to beneficiaries' unused personal exemptions in line 24b, columns A, B, C and D 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, column C. Subtract lines 24a, column D and 24b, column D from line 23, column D and enter the result in line 25, column D.

**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.

**Line 27. Tax on Long-Term Capital Gains**

Add line 26A, line 26B, line 26C and line 26D.

**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.

**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.

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 and D as applicable. Enter the amount applicable to beneficiaries' unused personal exemptions in line 3b,

columns A, B, C and D 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.

#### **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.

#### **Line 6. Tax on Long-Term Capital Gains**

Add line 5, column A; line 5, column B; line 5, column C; and line 5, column D. 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 1999 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 1999 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 5.95% 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 5.95% 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 and D (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 .0595 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 5.95% 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 5.95% 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 5.95%. 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 5.95% 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. 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 and column D.

**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 (5.95% 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 5.95%, 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.

### 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 5.95% 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 ( $10,000/20,000 \times \$2,000$ ), 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:

$$\frac{\text{total Part A income}}{\text{total 5.95\% \& Part A \& long-term capital gain income}} \times \text{fiduciary compensation actually paid on income} = \text{fiduciary compensation actually paid on Part A income}$$

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

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 23 or Form 1-NR/PY, lines 1 through 27, 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 12% 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 and D.

**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 and D.

**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 and D.

**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 and D.

**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 5.95% 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 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 i.** 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 j.** 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 k.** 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.

## 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, **5.95% income**. Next, any unused exemptions are applied against the Form 2, **5.95% 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**.

**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 5.95% income from Form 1, line 17, before any exemptions are applied.

**Line 2, column b.** Enter the total 5.95% income from all other fiduciaries (Form 2, line 18) to which the beneficiary is entitled.

**Line 2, column c.** Enter the total 5.95% 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, 5.95% 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 5.95% 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 5.95% 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 23.

**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 interest (other than interest from Massachusetts banks) and dividend 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 interest (other than interest from Massachusetts banks) and dividend 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 20, 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 20, 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 20, 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 20, 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 e.** Add column e, line 3, 6, 9, 12, 15, 18, 21, 24, 27, 30 and 33 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.

# 1999 Massachusetts Income Tax Table at the **5.95% Rate**

Use this table to calculate tax for taxable 5.95% income (line 30) of not more than \$80,000.

**Line 30 Instructions:** To find your **Tax for 5.95% 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 5.95% income in line 30 is greater than \$80,000, multiply the amount by .0595. 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	\$ 50	\$ 1	\$ 4,000 - \$ 4,050	\$ 4,050	\$ 239	\$ 8,000 - \$ 8,050	\$ 8,050	\$ 477	\$12,000 - \$12,050	\$ 715	\$16,000 - \$16,050	\$ 953	\$20,000 - \$20,050	\$1,191			
50 - 100	100	4	4,050 - 4,100	4,100	242	8,050 - 8,100	8,100	480	12,050 - 12,100	718	16,050 - 16,100	956	20,050 - 20,100	1,194			
100 - 150	150	7	4,100 - 4,150	4,150	245	8,100 - 8,150	8,150	483	12,100 - 12,150	721	16,100 - 16,150	959	20,100 - 20,150	1,197			
150 - 200	200	10	4,150 - 4,200	4,200	248	8,150 - 8,200	8,200	486	12,150 - 12,200	724	16,150 - 16,200	962	20,150 - 20,200	1,200			
200 - 250	250	13	4,200 - 4,250	4,250	251	8,200 - 8,250	8,250	489	12,200 - 12,250	727	16,200 - 16,250	965	20,200 - 20,250	1,203			
250 - 300	300	16	4,250 - 4,300	4,300	254	8,250 - 8,300	8,300	492	12,250 - 12,300	730	16,250 - 16,300	968	20,250 - 20,300	1,206			
300 - 350	350	19	4,300 - 4,350	4,350	257	8,300 - 8,350	8,350	495	12,300 - 12,350	733	16,300 - 16,350	971	20,300 - 20,350	1,209			
350 - 400	400	22	4,350 - 4,400	4,400	260	8,350 - 8,400	8,400	498	12,350 - 12,400	736	16,350 - 16,400	974	20,350 - 20,400	1,212			
400 - 450	450	25	4,400 - 4,450	4,450	263	8,400 - 8,450	8,450	501	12,400 - 12,450	739	16,400 - 16,450	977	20,400 - 20,450	1,215			
450 - 500	500	28	4,450 - 4,500	4,500	266	8,450 - 8,500	8,500	504	12,450 - 12,500	742	16,450 - 16,500	980	20,450 - 20,500	1,218			
500 - 550	550	31	4,500 - 4,550	4,550	269	8,500 - 8,550	8,550	507	12,500 - 12,550	745	16,500 - 16,550	983	20,500 - 20,550	1,221			
550 - 600	600	34	4,550 - 4,600	4,600	272	8,550 - 8,600	8,600	510	12,550 - 12,600	748	16,550 - 16,600	986	20,550 - 20,600	1,224			
600 - 650	650	37	4,600 - 4,650	4,650	275	8,600 - 8,650	8,650	513	12,600 - 12,650	751	16,600 - 16,650	989	20,600 - 20,650	1,227			
650 - 700	700	40	4,650 - 4,700	4,700	278	8,650 - 8,700	8,700	516	12,650 - 12,700	754	16,650 - 16,700	992	20,650 - 20,700	1,230			
700 - 750	750	43	4,700 - 4,750	4,750	281	8,700 - 8,750	8,750	519	12,700 - 12,750	757	16,700 - 16,750	995	20,700 - 20,750	1,233			
750 - 800	800	46	4,750 - 4,800	4,800	284	8,750 - 8,800	8,800	522	12,750 - 12,800	760	16,750 - 16,800	998	20,750 - 20,800	1,236			
800 - 850	850	49	4,800 - 4,850	4,850	287	8,800 - 8,850	8,850	525	12,800 - 12,850	763	16,800 - 16,850	1,001	20,800 - 20,850	1,239			
850 - 900	900	52	4,850 - 4,900	4,900	290	8,850 - 8,900	8,900	528	12,850 - 12,900	766	16,850 - 16,900	1,004	20,850 - 20,900	1,242			
900 - 950	950	55	4,900 - 4,950	4,950	293	8,900 - 8,950	8,950	531	12,900 - 12,950	769	16,900 - 16,950	1,007	20,900 - 20,950	1,245			
950 - 1,000	1,000	58	4,950 - 5,000	5,000	296	8,950 - 9,000	9,000	534	12,950 - 13,000	772	16,950 - 17,000	1,010	20,950 - 21,000	1,248			
1,000 - 1,050	1,050	61	5,000 - 5,050	5,050	299	9,000 - 9,050	9,050	537	13,000 - 13,050	775	17,000 - 17,050	1,013	21,000 - 21,050	1,251			
1,050 - 1,100	1,100	64	5,050 - 5,100	5,100	302	9,050 - 9,100	9,100	540	13,050 - 13,100	778	17,050 - 17,100	1,016	21,050 - 21,100	1,254			
1,100 - 1,150	1,150	67	5,100 - 5,150	5,150	305	9,100 - 9,150	9,150	543	13,100 - 13,150	781	17,100 - 17,150	1,019	21,100 - 21,150	1,257			
1,150 - 1,200	1,200	70	5,150 - 5,200	5,200	308	9,150 - 9,200	9,200	546	13,150 - 13,200	784	17,150 - 17,200	1,022	21,150 - 21,200	1,260			
1,200 - 1,250	1,250	73	5,200 - 5,250	5,250	311	9,200 - 9,250	9,250	549	13,200 - 13,250	787	17,200 - 17,250	1,025	21,200 - 21,250	1,263			
1,250 - 1,300	1,300	76	5,250 - 5,300	5,300	314	9,250 - 9,300	9,300	552	13,250 - 13,300	790	17,250 - 17,300	1,028	21,250 - 21,300	1,266			
1,300 - 1,350	1,350	79	5,300 - 5,350	5,350	317	9,300 - 9,350	9,350	555	13,300 - 13,350	793	17,300 - 17,350	1,031	21,300 - 21,350	1,269			
1,350 - 1,400	1,400	82	5,350 - 5,400	5,400	320	9,350 - 9,400	9,400	558	13,350 - 13,400	796	17,350 - 17,400	1,034	21,350 - 21,400	1,272			
1,400 - 1,450	1,450	85	5,400 - 5,450	5,450	323	9,400 - 9,450	9,450	561	13,400 - 13,450	799	17,400 - 17,450	1,037	21,400 - 21,450	1,275			
1,450 - 1,500	1,500	88	5,450 - 5,500	5,500	326	9,450 - 9,500	9,500	564	13,450 - 13,500	802	17,450 - 17,500	1,040	21,450 - 21,500	1,278			
1,500 - 1,550	1,550	91	5,500 - 5,550	5,550	329	9,500 - 9,550	9,550	567	13,500 - 13,550	805	17,500 - 17,550	1,043	21,500 - 21,550	1,281			
1,550 - 1,600	1,600	94	5,550 - 5,600	5,600	332	9,550 - 9,600	9,600	570	13,550 - 13,600	808	17,550 - 17,600	1,046	21,550 - 21,600	1,284			
1,600 - 1,650	1,650	97	5,600 - 5,650	5,650	335	9,600 - 9,650	9,650	573	13,600 - 13,650	811	17,600 - 17,650	1,049	21,600 - 21,650	1,287			
1,650 - 1,700	1,700	100	5,650 - 5,700	5,700	338	9,650 - 9,700	9,700	576	13,650 - 13,700	814	17,650 - 17,700	1,052	21,650 - 21,700	1,290			
1,700 - 1,750	1,750	103	5,700 - 5,750	5,750	341	9,700 - 9,750	9,750	579	13,700 - 13,750	817	17,700 - 17,750	1,055	21,700 - 21,750	1,293			
1,750 - 1,800	1,800	106	5,750 - 5,800	5,800	344	9,750 - 9,800	9,800	582	13,750 - 13,800	820	17,750 - 17,800	1,058	21,750 - 21,800	1,296			
1,800 - 1,850	1,850	109	5,800 - 5,850	5,850	347	9,800 - 9,850	9,850	585	13,800 - 13,850	823	17,800 - 17,850	1,061	21,800 - 21,850	1,299			
1,850 - 1,900	1,900	112	5,850 - 5,900	5,900	350	9,850 - 9,900	9,900	588	13,850 - 13,900	826	17,850 - 17,900	1,064	21,850 - 21,900	1,302			
1,900 - 1,950	1,950	115	5,900 - 5,950	5,950	353	9,900 - 9,950	9,950	591	13,900 - 13,950	829	17,900 - 17,950	1,067	21,900 - 21,950	1,305			
1,950 - 2,000	2,000	118	5,950 - 6,000	6,000	356	9,950 - 10,000	10,000	594	13,950 - 14,000	832	17,950 - 18,000	1,070	21,950 - 22,000	1,308			
2,000 - 2,050	2,050	120	6,000 - 6,050	6,050	358	10,000 - 10,050	10,050	596	14,000 - 14,050	834	18,000 - 18,050	1,072	22,000 - 22,050	1,310			
2,050 - 2,100	2,100	123	6,050 - 6,100	6,100	361	10,050 - 10,100	10,100	599	14,050 - 14,100	837	18,050 - 18,100	1,075	22,050 - 22,100	1,313			
2,100 - 2,150	2,150	126	6,100 - 6,150	6,150	364	10,100 - 10,150	10,150	602	14,100 - 14,150	840	18,100 - 18,150	1,078	22,100 - 22,150	1,316			
2,150 - 2,200	2,200	129	6,150 - 6,200	6,200	367	10,150 - 10,200	10,200	605	14,150 - 14,200	843	18,150 - 18,200	1,081	22,150 - 22,200	1,319			
2,200 - 2,250	2,250	132	6,200 - 6,250	6,250	370	10,200 - 10,250	10,250	608	14,200 - 14,250	846	18,200 - 18,250	1,084	22,200 - 22,250	1,322			
2,250 - 2,300	2,300	135	6,250 - 6,300	6,300	373	10,250 - 10,300	10,300	611	14,250 - 14,300	849	18,250 - 18,300	1,087	22,250 - 22,300	1,325			
2,300 - 2,350	2,350	138	6,300 - 6,350	6,350	376	10,300 - 10,350	10,350	614	14,300 - 14,350	852	18,300 - 18,350	1,090	22,300 - 22,350	1,328			
2,350 - 2,400	2,400	141	6,350 - 6,400	6,400	379	10,350 - 10,400	10,400	617	14,350 - 14,400	855	18,350 - 18,400	1,093	22,350 - 22,400	1,331			
2,400 - 2,450	2,450	144	6,400 - 6,450	6,450	382	10,400 - 10,450	10,450	620	14,400 - 14,450	858	18,400 - 18,450	1,096	22,400 - 22,450	1,334			
2,450 - 2,500	2,500	147	6,450 - 6,500	6,500	385	10,450 - 10,500	10,500	623	14,450 - 14,500	861	18,450 - 18,500	1,099	22,450 - 22,500	1,337			
2,500 - 2,550	2,550	150	6,500 - 6,550	6,550	388	10,500 - 10,550	10,550	626	14,500 - 14,550	864	18,500 - 18,550	1,102	22,500 - 22,550	1,340			
2,550 - 2,600	2,600	153	6,550 - 6,600	6,600	391	10,550 - 10,600	10,600	629	14,550 - 14,600	867	18,550 - 18,600	1,105	22,550 - 22,600	1,343			
2,600 - 2,650	2,650	156	6,600 - 6,650	6,650	394	10,600 - 10,650	10,650	632	14,600 -								

# 1999 Massachusetts Income Tax Table at the **5.95% 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		<b>1,429</b>	\$28,750 - \$28,800		<b>1,712</b>	\$33,500 - \$33,550		<b>1,995</b>	\$38,250 - \$38,300		<b>2,277</b>	\$43,000 - \$43,050		<b>2,560</b>	\$47,750 - \$47,800		<b>2,843</b>
24,050 - 24,100		<b>1,432</b>	28,800 - 28,850		<b>1,715</b>	33,550 - 33,600		<b>1,998</b>	38,300 - 38,350		<b>2,280</b>	43,050 - 43,100		<b>2,563</b>	47,800 - 47,850		<b>2,846</b>
24,100 - 24,150		<b>1,435</b>	28,850 - 28,900		<b>1,718</b>	33,600 - 33,650		<b>2,001</b>	38,350 - 38,400		<b>2,283</b>	43,100 - 43,150		<b>2,566</b>	47,850 - 47,900		<b>2,849</b>
24,150 - 24,200		<b>1,438</b>	28,900 - 28,950		<b>1,721</b>	33,650 - 33,700		<b>2,004</b>	38,400 - 38,450		<b>2,286</b>	43,150 - 43,200		<b>2,569</b>	47,900 - 47,950		<b>2,852</b>
24,200 - 24,250		<b>1,441</b>	28,950 - 29,000		<b>1,724</b>	33,700 - 33,750		<b>2,007</b>	38,450 - 38,500		<b>2,289</b>	43,200 - 43,250		<b>2,572</b>	47,950 - 48,000		<b>2,855</b>
24,250 - 24,300		<b>1,444</b>	29,000 - 29,050		<b>1,727</b>	33,750 - 33,800		<b>2,010</b>	38,500 - 38,550		<b>2,292</b>	43,250 - 43,300		<b>2,575</b>	48,000 - 48,050		<b>2,857</b>
24,300 - 24,350		<b>1,447</b>	29,050 - 29,100		<b>1,730</b>	33,800 - 33,850		<b>2,013</b>	38,550 - 38,600		<b>2,295</b>	43,300 - 43,350		<b>2,578</b>	48,050 - 48,100		<b>2,860</b>
24,350 - 24,400		<b>1,450</b>	29,100 - 29,150		<b>1,733</b>	33,850 - 33,900		<b>2,016</b>	38,600 - 38,650		<b>2,298</b>	43,350 - 43,400		<b>2,581</b>	48,100 - 48,150		<b>2,863</b>
24,400 - 24,450		<b>1,453</b>	29,150 - 29,200		<b>1,736</b>	33,900 - 33,950		<b>2,019</b>	38,650 - 38,700		<b>2,301</b>	43,400 - 43,450		<b>2,584</b>	48,150 - 48,200		<b>2,866</b>
24,450 - 24,500		<b>1,456</b>	29,200 - 29,250		<b>1,739</b>	33,950 - 34,000		<b>2,022</b>	38,700 - 38,750		<b>2,304</b>	43,450 - 43,500		<b>2,587</b>	48,200 - 48,250		<b>2,869</b>
24,500 - 24,550		<b>1,459</b>	29,250 - 29,300		<b>1,742</b>	34,000 - 34,050		<b>2,024</b>	38,750 - 38,800		<b>2,307</b>	43,500 - 43,550		<b>2,590</b>	48,250 - 48,300		<b>2,872</b>
24,550 - 24,600		<b>1,462</b>	29,300 - 29,350		<b>1,745</b>	34,050 - 34,100		<b>2,027</b>	38,800 - 38,850		<b>2,310</b>	43,550 - 43,600		<b>2,593</b>	48,300 - 48,350		<b>2,875</b>
24,600 - 24,650		<b>1,465</b>	29,350 - 29,400		<b>1,748</b>	34,100 - 34,150		<b>2,030</b>	38,850 - 38,900		<b>2,313</b>	43,600 - 43,650		<b>2,596</b>	48,350 - 48,400		<b>2,878</b>
24,650 - 24,700		<b>1,468</b>	29,400 - 29,450		<b>1,751</b>	34,150 - 34,200		<b>2,033</b>	38,900 - 38,950		<b>2,316</b>	43,650 - 43,700		<b>2,599</b>	48,400 - 48,450		<b>2,881</b>
24,700 - 24,750		<b>1,471</b>	29,450 - 29,500		<b>1,754</b>	34,200 - 34,250		<b>2,036</b>	38,950 - 39,000		<b>2,319</b>	43,700 - 43,750		<b>2,602</b>	48,450 - 48,500		<b>2,884</b>
24,750 - 24,800		<b>1,474</b>	29,500 - 29,550		<b>1,757</b>	34,250 - 34,300		<b>2,039</b>	39,000 - 39,050		<b>2,322</b>	43,750 - 43,800		<b>2,605</b>	48,500 - 48,550		<b>2,887</b>
24,800 - 24,850		<b>1,477</b>	29,550 - 29,600		<b>1,760</b>	34,300 - 34,350		<b>2,042</b>	39,050 - 39,100		<b>2,325</b>	43,800 - 43,850		<b>2,608</b>	48,550 - 48,600		<b>2,890</b>
24,850 - 24,900		<b>1,480</b>	29,600 - 29,650		<b>1,763</b>	34,350 - 34,400		<b>2,045</b>	39,100 - 39,150		<b>2,328</b>	43,850 - 43,900		<b>2,611</b>	48,600 - 48,650		<b>2,893</b>
24,900 - 24,950		<b>1,483</b>	29,650 - 29,700		<b>1,766</b>	34,400 - 34,450		<b>2,048</b>	39,150 - 39,200		<b>2,331</b>	43,900 - 43,950		<b>2,614</b>	48,650 - 48,700		<b>2,896</b>
24,950 - 25,000		<b>1,486</b>	29,700 - 29,750		<b>1,769</b>	34,450 - 34,500		<b>2,051</b>	39,200 - 39,250		<b>2,334</b>	43,950 - 44,000		<b>2,617</b>	48,700 - 48,750		<b>2,899</b>
25,000 - 25,050		<b>1,489</b>	29,750 - 29,800		<b>1,772</b>	34,500 - 34,550		<b>2,054</b>	39,250 - 39,300		<b>2,337</b>	44,000 - 44,050		<b>2,619</b>	48,750 - 48,800		<b>2,902</b>
25,050 - 25,100		<b>1,492</b>	29,800 - 29,850		<b>1,775</b>	34,550 - 34,600		<b>2,057</b>	39,300 - 39,350		<b>2,340</b>	44,050 - 44,100		<b>2,622</b>	48,800 - 48,850		<b>2,905</b>
25,100 - 25,150		<b>1,495</b>	29,850 - 29,900		<b>1,778</b>	34,600 - 34,650		<b>2,060</b>	39,350 - 39,400		<b>2,343</b>	44,100 - 44,150		<b>2,625</b>	48,850 - 48,900		<b>2,908</b>
25,150 - 25,200		<b>1,498</b>	29,900 - 29,950		<b>1,781</b>	34,650 - 34,700		<b>2,063</b>	39,400 - 39,450		<b>2,346</b>	44,150 - 44,200		<b>2,628</b>	48,900 - 48,950		<b>2,911</b>
25,200 - 25,250		<b>1,501</b>	29,950 - 30,000		<b>1,784</b>	34,700 - 34,750		<b>2,066</b>	39,450 - 39,500		<b>2,349</b>	44,200 - 44,250		<b>2,631</b>	48,950 - 49,000		<b>2,914</b>
25,250 - 25,300		<b>1,504</b>	30,000 - 30,050		<b>1,786</b>	34,750 - 34,800		<b>2,069</b>	39,500 - 39,550		<b>2,352</b>	44,250 - 44,300		<b>2,634</b>	49,000 - 49,050		<b>2,917</b>
25,300 - 25,350		<b>1,507</b>	30,050 - 30,100		<b>1,789</b>	34,800 - 34,850		<b>2,072</b>	39,550 - 39,600		<b>2,355</b>	44,300 - 44,350		<b>2,637</b>	49,050 - 49,100		<b>2,920</b>
25,350 - 25,400		<b>1,510</b>	30,100 - 30,150		<b>1,792</b>	34,850 - 34,900		<b>2,075</b>	39,600 - 39,650		<b>2,358</b>	44,350 - 44,400		<b>2,640</b>	49,100 - 49,150		<b>2,923</b>
25,400 - 25,450		<b>1,513</b>	30,150 - 30,200		<b>1,795</b>	34,900 - 34,950		<b>2,078</b>	39,650 - 39,700		<b>2,361</b>	44,400 - 44,450		<b>2,643</b>	49,150 - 49,200		<b>2,926</b>
25,450 - 25,500		<b>1,516</b>	30,200 - 30,250		<b>1,798</b>	34,950 - 35,000		<b>2,081</b>	39,700 - 39,750		<b>2,364</b>	44,450 - 44,500		<b>2,646</b>	49,200 - 49,250		<b>2,929</b>
25,500 - 25,550		<b>1,519</b>	30,250 - 30,300		<b>1,801</b>	35,000 - 35,050		<b>2,084</b>	39,750 - 39,800		<b>2,367</b>	44,500 - 44,550		<b>2,649</b>	49,250 - 49,300		<b>2,932</b>
25,550 - 25,600		<b>1,522</b>	30,300 - 30,350		<b>1,804</b>	35,050 - 35,100		<b>2,087</b>	39,800 - 39,850		<b>2,370</b>	44,550 - 44,600		<b>2,652</b>	49,300 - 49,350		<b>2,935</b>
25,600 - 25,650		<b>1,525</b>	30,350 - 30,400		<b>1,807</b>	35,100 - 35,150		<b>2,090</b>	39,850 - 39,900		<b>2,373</b>	44,600 - 44,650		<b>2,655</b>	49,350 - 49,400		<b>2,938</b>
25,650 - 25,700		<b>1,528</b>	30,400 - 30,450		<b>1,810</b>	35,150 - 35,200		<b>2,093</b>	39,900 - 39,950		<b>2,376</b>	44,650 - 44,700		<b>2,658</b>	49,400 - 49,450		<b>2,941</b>
25,700 - 25,750		<b>1,531</b>	30,450 - 30,500		<b>1,813</b>	35,200 - 35,250		<b>2,096</b>	39,950 - 40,000		<b>2,379</b>	44,700 - 44,750		<b>2,661</b>	49,450 - 49,500		<b>2,944</b>
25,750 - 25,800		<b>1,534</b>	30,500 - 30,550		<b>1,816</b>	35,250 - 35,300		<b>2,099</b>	40,000 - 40,050		<b>2,382</b>	44,750 - 44,800		<b>2,664</b>	49,500 - 49,550		<b>2,947</b>
25,800 - 25,850		<b>1,537</b>	30,550 - 30,600		<b>1,819</b>	35,300 - 35,350		<b>2,102</b>	40,050 - 40,100		<b>2,384</b>	44,800 - 44,850		<b>2,667</b>	49,550 - 49,600		<b>2,950</b>
25,850 - 25,900		<b>1,540</b>	30,600 - 30,650		<b>1,822</b>	35,350 - 35,400		<b>2,105</b>	40,100 - 40,150		<b>2,387</b>	44,850 - 44,900		<b>2,670</b>	49,600 - 49,650		<b>2,953</b>
25,900 - 25,950		<b>1,543</b>	30,650 - 30,700		<b>1,825</b>	35,400 - 35,450		<b>2,108</b>	40,150 - 40,200		<b>2,390</b>	44,900 - 44,950		<b>2,673</b>	49,650 - 49,700		<b>2,956</b>
25,950 - 26,000		<b>1,546</b>	30,700 - 30,750		<b>1,828</b>	35,450 - 35,500		<b>2,111</b>	40,200 - 40,250		<b>2,393</b>	44,950 - 45,000		<b>2,676</b>	49,700 - 49,750		<b>2,959</b>
26,000 - 26,050		<b>1,548</b>	30,750 - 30,800		<b>1,831</b>	35,500 - 35,550		<b>2,114</b>	40,250 - 40,300		<b>2,396</b>	45,000 - 45,050		<b>2,679</b>	49,750 - 49,800		<b>2,962</b>
26,050 - 26,100		<b>1,551</b>	30,800 - 30,850		<b>1,834</b>	35,550 - 35,600		<b>2,117</b>	40,300 - 40,350		<b>2,399</b>	45,050 - 45,100		<b>2,682</b>	49,800 - 49,850		<b>2,965</b>
26,100 - 26,150		<b>1,554</b>	30,850 - 30,900		<b>1,837</b>	35,600 - 35,650		<b>2,120</b>	40,350 - 40,400		<b>2,402</b>	45,100 - 45,150		<b>2,685</b>	49,850 - 49,900		<b>2,968</b>
26,150 - 26,200		<b>1,557</b>	30,900 - 30,950		<b>1,840</b>	35,650 - 35,700		<b>2,123</b>	40,400 - 40,450		<b>2,405</b>	45,150 - 45,200		<b>2,688</b>	49,900 - 49,950		<b>2,971</b>
26,200 - 26,250		<b>1,560</b>	30,950 - 31,000		<b>1,843</b>	35,700 - 35,750		<b>2,126</b>	40,450 - 40,500		<b>2,408</b>	45,200 - 45,250		<b>2,691</b>	49,950 - 50,000		<b>2,974</b>
26,250 - 26,300		<b>1,563</b>	31,000 - 31,050		<b>1,846</b>	35,750 - 35,800		<b>2,129</b>	40,500 - 40,550		<b>2,411</b>	45,250 - 45,300		<b>2,694</b>	50,000 - 50,050		<b>2,976</b>
26,300 - 26,350		<b>1,566</b>	31,050 - 31,100		<b>1,849</b>	35,800 - 35,850		<b>2,132</b>	40,550 - 40,600		<b>2,414</b>	45,300 - 45,350		<b>2,697</b>	50,050 - 50,100		<b>2,979</b>
26,350 - 26,400		<b>1,569</b>	31,100 - 31,150		<b>1,852</b>	35,850 - 35,900		<b>2,135</b>	40,600 - 40,650		<b>2,417</b>	45,350 - 45,400		<b>2,700</b>	50,100 - 50,150		<b>2,982</b>
26,400 - 26,450		<b>1,572</b>	31,150 - 31,200		<b>1,855</b>	35,900 - 35,950		<b>2,138</b>	40,650 - 40,700		<b>2,420</b>	45,400 - 45,450		<b>2,703</b>	50,150 - 50,200		<b>2,985</b>
26,450 - 26,500		<b>1,575</b>	31,200 - 31,250		<b>1,858</b>	35,950 - 36,000		<b>2,141</b>	40,700 - 40,750		<b>2,423</b>	45,450 - 45,500		<b>2,706</b>	50,200 - 50,250		<b>2,988</b>
26,500 - 26,550		<b>1,578</b>	31,250 - 31,300		<b>1,861</b>	36,000 - 36,050		<b>2,143</b>	40,750 - 40,800		<b>2,426</b>	45,500 - 45,550		<b>2,709</b>	50,250 - 50,300		<b>2,991</b>
26,550 - 26,600		<b>1,581</b>	31,300 - 31,350		<b>1,864</b>	36,050 - 36,100		<b>2,146</b>	40,800 - 40,850		<b>2,429</b>	45,550 - 45,600		<b>2,712</b>	50,300 - 50,350		<b>2,994</b>
26,600 - 26,650		<b>1,584</b>	31,350 - 31,400		<b>1,8</b>												

# 1999 Massachusetts Income Tax Table at the **5.95% 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	<b>3,125</b>	\$57,250	-\$57,300	<b>3,408</b>	\$62,000	-\$62,050	<b>3,690</b>	\$66,750	-\$66,800	<b>3,973</b>	\$71,500	-\$71,550	<b>4,256</b>	\$76,250	-\$76,300	<b>4,538</b>
52,550	52,600	<b>3,128</b>	57,300	57,350	<b>3,411</b>	62,050	62,100	<b>3,693</b>	66,800	66,850	<b>3,976</b>	71,550	71,600	<b>4,259</b>	76,300	76,350	<b>4,541</b>
52,600	52,650	<b>3,131</b>	57,350	57,400	<b>3,414</b>	62,100	62,150	<b>3,696</b>	66,850	66,900	<b>3,979</b>	71,600	71,650	<b>4,262</b>	76,350	76,400	<b>4,544</b>
52,650	52,700	<b>3,134</b>	57,400	57,450	<b>3,417</b>	62,150	62,200	<b>3,699</b>	66,900	66,950	<b>3,982</b>	71,650	71,700	<b>4,265</b>	76,400	76,450	<b>4,547</b>
52,700	52,750	<b>3,137</b>	57,450	57,500	<b>3,420</b>	62,200	62,250	<b>3,702</b>	66,950	67,000	<b>3,985</b>	71,700	71,750	<b>4,268</b>	76,450	76,500	<b>4,550</b>
52,750	52,800	<b>3,140</b>	57,500	57,550	<b>3,423</b>	62,250	62,300	<b>3,705</b>	67,000	67,050	<b>3,988</b>	71,750	71,800	<b>4,271</b>	76,500	76,550	<b>4,553</b>
52,800	52,850	<b>3,143</b>	57,550	57,600	<b>3,426</b>	62,300	62,350	<b>3,708</b>	67,050	67,100	<b>3,991</b>	71,800	71,850	<b>4,274</b>	76,550	76,600	<b>4,556</b>
52,850	52,900	<b>3,146</b>	57,600	57,650	<b>3,429</b>	62,350	62,400	<b>3,711</b>	67,100	67,150	<b>3,994</b>	71,850	71,900	<b>4,277</b>	76,600	76,650	<b>4,559</b>
52,900	52,950	<b>3,149</b>	57,650	57,700	<b>3,432</b>	62,400	62,450	<b>3,714</b>	67,150	67,200	<b>3,997</b>	71,900	71,950	<b>4,280</b>	76,650	76,700	<b>4,562</b>
52,950	53,000	<b>3,152</b>	57,700	57,750	<b>3,435</b>	62,450	62,500	<b>3,717</b>	67,200	67,250	<b>4,000</b>	71,950	72,000	<b>4,283</b>	76,700	76,750	<b>4,565</b>
53,000	53,050	<b>3,155</b>	57,750	57,800	<b>3,438</b>	62,500	62,550	<b>3,720</b>	67,250	67,300	<b>4,003</b>	72,000	72,050	<b>4,285</b>	76,750	76,800	<b>4,568</b>
53,050	53,100	<b>3,158</b>	57,800	57,850	<b>3,441</b>	62,550	62,600	<b>3,723</b>	67,300	67,350	<b>4,006</b>	72,050	72,100	<b>4,288</b>	76,800	76,850	<b>4,571</b>
53,100	53,150	<b>3,161</b>	57,850	57,900	<b>3,444</b>	62,600	62,650	<b>3,726</b>	67,350	67,400	<b>4,009</b>	72,100	72,150	<b>4,291</b>	76,850	76,900	<b>4,574</b>
53,150	53,200	<b>3,164</b>	57,900	57,950	<b>3,447</b>	62,650	62,700	<b>3,729</b>	67,400	67,450	<b>4,012</b>	72,150	72,200	<b>4,294</b>	76,900	76,950	<b>4,577</b>
53,200	53,250	<b>3,167</b>	57,950	58,000	<b>3,450</b>	62,700	62,750	<b>3,732</b>	67,450	67,500	<b>4,015</b>	72,200	72,250	<b>4,297</b>	76,950	77,000	<b>4,580</b>
53,250	53,300	<b>3,170</b>	58,000	58,050	<b>3,452</b>	62,750	62,800	<b>3,735</b>	67,500	67,550	<b>4,018</b>	72,250	72,300	<b>4,300</b>	77,000	77,050	<b>4,583</b>
53,300	53,350	<b>3,173</b>	58,050	58,100	<b>3,455</b>	62,800	62,850	<b>3,738</b>	67,550	67,600	<b>4,021</b>	72,300	72,350	<b>4,303</b>	77,050	77,100	<b>4,586</b>
53,350	53,400	<b>3,176</b>	58,100	58,150	<b>3,458</b>	62,850	62,900	<b>3,741</b>	67,600	67,650	<b>4,024</b>	72,350	72,400	<b>4,306</b>	77,100	77,150	<b>4,589</b>
53,400	53,450	<b>3,179</b>	58,150	58,200	<b>3,461</b>	62,900	62,950	<b>3,744</b>	67,650	67,700	<b>4,027</b>	72,400	72,450	<b>4,309</b>	77,150	77,200	<b>4,592</b>
53,450	53,500	<b>3,182</b>	58,200	58,250	<b>3,464</b>	62,950	63,000	<b>3,747</b>	67,700	67,750	<b>4,030</b>	72,450	72,500	<b>4,312</b>	77,200	77,250	<b>4,595</b>
53,500	53,550	<b>3,185</b>	58,250	58,300	<b>3,467</b>	63,000	63,050	<b>3,750</b>	67,750	67,800	<b>4,033</b>	72,500	72,550	<b>4,315</b>	77,250	77,300	<b>4,598</b>
53,550	53,600	<b>3,188</b>	58,300	58,350	<b>3,470</b>	63,050	63,100	<b>3,753</b>	67,800	67,850	<b>4,036</b>	72,550	72,600	<b>4,318</b>	77,300	77,350	<b>4,601</b>
53,600	53,650	<b>3,191</b>	58,350	58,400	<b>3,473</b>	63,100	63,150	<b>3,756</b>	67,850	67,900	<b>4,039</b>	72,600	72,650	<b>4,321</b>	77,350	77,400	<b>4,604</b>
53,650	53,700	<b>3,194</b>	58,400	58,450	<b>3,476</b>	63,150	63,200	<b>3,759</b>	67,900	67,950	<b>4,042</b>	72,650	72,700	<b>4,324</b>	77,400	77,450	<b>4,607</b>
53,700	53,750	<b>3,197</b>	58,450	58,500	<b>3,479</b>	63,200	63,250	<b>3,762</b>	67,950	68,000	<b>4,045</b>	72,700	72,750	<b>4,327</b>	77,450	77,500	<b>4,610</b>
53,750	53,800	<b>3,200</b>	58,500	58,550	<b>3,482</b>	63,250	63,300	<b>3,765</b>	68,000	68,050	<b>4,047</b>	72,750	72,800	<b>4,330</b>	77,500	77,550	<b>4,613</b>
53,800	53,850	<b>3,203</b>	58,550	58,600	<b>3,485</b>	63,300	63,350	<b>3,768</b>	68,050	68,100	<b>4,050</b>	72,800	72,850	<b>4,333</b>	77,550	77,600	<b>4,616</b>
53,850	53,900	<b>3,206</b>	58,600	58,650	<b>3,488</b>	63,350	63,400	<b>3,771</b>	68,100	68,150	<b>4,053</b>	72,850	72,900	<b>4,336</b>	77,600	77,650	<b>4,619</b>
53,900	53,950	<b>3,209</b>	58,650	58,700	<b>3,491</b>	63,400	63,450	<b>3,774</b>	68,150	68,200	<b>4,056</b>	72,900	72,950	<b>4,339</b>	77,650	77,700	<b>4,622</b>
53,950	54,000	<b>3,212</b>	58,700	58,750	<b>3,494</b>	63,450	63,500	<b>3,777</b>	68,200	68,250	<b>4,059</b>	72,950	73,000	<b>4,342</b>	77,700	77,750	<b>4,625</b>
54,000	54,050	<b>3,214</b>	58,750	58,800	<b>3,497</b>	63,500	63,550	<b>3,780</b>	68,250	68,300	<b>4,062</b>	73,000	73,050	<b>4,345</b>	77,750	77,800	<b>4,628</b>
54,050	54,100	<b>3,217</b>	58,800	58,850	<b>3,500</b>	63,550	63,600	<b>3,783</b>	68,300	68,350	<b>4,065</b>	73,050	73,100	<b>4,348</b>	77,800	77,850	<b>4,631</b>
54,100	54,150	<b>3,220</b>	58,850	58,900	<b>3,503</b>	63,600	63,650	<b>3,786</b>	68,350	68,400	<b>4,068</b>	73,100	73,150	<b>4,351</b>	77,850	77,900	<b>4,634</b>
54,150	54,200	<b>3,223</b>	58,900	58,950	<b>3,506</b>	63,650	63,700	<b>3,789</b>	68,400	68,450	<b>4,071</b>	73,150	73,200	<b>4,354</b>	77,900	77,950	<b>4,637</b>
54,200	54,250	<b>3,226</b>	58,950	59,000	<b>3,509</b>	63,700	63,750	<b>3,792</b>	68,450	68,500	<b>4,074</b>	73,200	73,250	<b>4,357</b>	77,950	78,000	<b>4,640</b>
54,250	54,300	<b>3,229</b>	59,000	59,050	<b>3,512</b>	63,750	63,800	<b>3,795</b>	68,500	68,550	<b>4,077</b>	73,250	73,300	<b>4,360</b>	78,000	78,050	<b>4,642</b>
54,300	54,350	<b>3,232</b>	59,050	59,100	<b>3,515</b>	63,800	63,850	<b>3,798</b>	68,550	68,600	<b>4,080</b>	73,300	73,350	<b>4,363</b>	78,050	78,100	<b>4,645</b>
54,350	54,400	<b>3,235</b>	59,100	59,150	<b>3,518</b>	63,850	63,900	<b>3,801</b>	68,600	68,650	<b>4,083</b>	73,350	73,400	<b>4,366</b>	78,100	78,150	<b>4,648</b>
54,400	54,450	<b>3,238</b>	59,150	59,200	<b>3,521</b>	63,900	63,950	<b>3,804</b>	68,650	68,700	<b>4,086</b>	73,400	73,450	<b>4,369</b>	78,150	78,200	<b>4,651</b>
54,450	54,500	<b>3,241</b>	59,200	59,250	<b>3,524</b>	63,950	64,000	<b>3,807</b>	68,700	68,750	<b>4,089</b>	73,450	73,500	<b>4,372</b>	78,200	78,250	<b>4,654</b>
54,500	54,550	<b>3,244</b>	59,250	59,300	<b>3,527</b>	64,000	64,050	<b>3,809</b>	68,750	68,800	<b>4,092</b>	73,500	73,550	<b>4,375</b>	78,250	78,300	<b>4,657</b>
54,550	54,600	<b>3,247</b>	59,300	59,350	<b>3,530</b>	64,050	64,100	<b>3,812</b>	68,800	68,850	<b>4,095</b>	73,550	73,600	<b>4,378</b>	78,300	78,350	<b>4,660</b>
54,600	54,650	<b>3,250</b>	59,350	59,400	<b>3,533</b>	64,100	64,150	<b>3,815</b>	68,850	68,900	<b>4,098</b>	73,600	73,650	<b>4,381</b>	78,350	78,400	<b>4,663</b>
54,650	54,700	<b>3,253</b>	59,400	59,450	<b>3,536</b>	64,150	64,200	<b>3,818</b>	68,900	68,950	<b>4,101</b>	73,650	73,700	<b>4,384</b>	78,400	78,450	<b>4,666</b>
54,700	54,750	<b>3,256</b>	59,450	59,500	<b>3,539</b>	64,200	64,250	<b>3,821</b>	68,950	69,000	<b>4,104</b>	73,700	73,750	<b>4,387</b>	78,450	78,500	<b>4,669</b>
54,750	54,800	<b>3,259</b>	59,500	59,550	<b>3,542</b>	64,250	64,300	<b>3,824</b>	69,000	69,050	<b>4,107</b>	73,750	73,800	<b>4,390</b>	78,500	78,550	<b>4,672</b>
54,800	54,850	<b>3,262</b>	59,550	59,600	<b>3,545</b>	64,300	64,350	<b>3,827</b>	69,050	69,100	<b>4,110</b>	73,800	73,850	<b>4,393</b>	78,550	78,600	<b>4,675</b>
54,850	54,900	<b>3,265</b>	59,600	59,650	<b>3,548</b>	64,350	64,400	<b>3,830</b>	69,100	69,150	<b>4,113</b>	73,850	73,900	<b>4,396</b>	78,600	78,650	<b>4,678</b>
54,900	54,950	<b>3,268</b>	59,650	59,700	<b>3,551</b>	64,400	64,450	<b>3,833</b>	69,150	69,200	<b>4,116</b>	73,900	73,950	<b>4,399</b>	78,650	78,700	<b>4,681</b>
54,950	55,000	<b>3,271</b>	59,700	59,750	<b>3,554</b>	64,450	64,500	<b>3,836</b>	69,200	69,250	<b>4,119</b>	73,950	74,000	<b>4,402</b>	78,700	78,750	<b>4,684</b>
55,000	55,050	<b>3,274</b>	59,750	59,800	<b>3,557</b>	64,500	64,550	<b>3,839</b>	69,250	69,300	<b>4,122</b>	74,000	74,050	<b>4,404</b>	78,750	78,800	<b>4,687</b>
55,050	55,100	<b>3,277</b>	59,800	59,850	<b>3,560</b>	64,550	64,600	<b>3,842</b>	69,300	69,350	<b>4,125</b>	74,050	74,100	<b>4,407</b>	78,800	78,850	<b>4,690</b>
55,100	55,150	<b>3,280</b>	59,850	59,900	<b>3,563</b>	64,600	64,650	<b>3,845</b>	69,350	69,400	<b>4,128</b>	74,100	74,150	<b>4,410</b>	78,850	78,900	<b>4,693</b>
55,150	55,200	<b>3,283</b>	59,900	59,950	<b>3,566</b>	64,650	64,700	<b>3,848</b>	69,400	69,450	<b>4,131</b>	74,150					

# Department of Revenue Resources

## DOR Locations in Massachusetts

19 Staniford Street  
**Boston** 02204  
(617) 887-MDOR

218 S. Main Street  
**Fall River** 02721  
(508) 678-2844

1019 Iyanough Road  
**Hyannis** 02601  
(508) 771-2414

333 East Street  
**Pittsfield** 01201  
(413) 499-2206

436 Dwight Street  
**Springfield** 01103  
(413) 784-1000

40 Southbridge Street  
**Worcester** 01608  
(508) 792-7300

## DOR Locations throughout the Country

1355 Peachtree St. NE,  
Suite 1280  
**Atlanta**, GA 30309  
(404) 874-2922

101 South First St., 4th Floor  
**Burbank**, CA 91502  
(818) 840-9059

150 N. Michigan Ave., Suite 2035  
**Chicago**, IL 60601  
(312) 899-9040

2603 Augusta Dr., Suite 1075  
**Houston**, TX 77002  
(713) 784-7225

1440 Broadway, 22nd floor  
**New York**, NY 10022  
(212) 768-2750

355 Fifth Ave., Suite 1400  
**Pittsburgh**, PA 15222  
(412) 281-2776

## What kind of help is available

The instructions in the Department of Revenue's tax forms should provide answers to most taxpayer questions. If you have questions about completing your Massachusetts tax form, you can call or visit any of the Department of Revenue offices listed on this page Monday through Friday, between 8:45 a.m. and 5:00 p.m. Taxpayers also can call TaxTalk, the Department's 24-hour automated system of recorded tax help, at the main information lines listed below. In addition, DOR issues a number of useful publications on various state tax issues. These publications include: tax-specific guides written in question and answer format such as the *Guide to Filing Your 1999 Massachusetts Income Taxes*; a quarterly newsletter, the *Taxpayer Advisory Bulletin*, with updates on legislative, legal and Departmental decisions; and public written statements, such as Regulations, Technical Information Releases (TIRs), Directives and Letter Rulings.

## Where to get forms and publications



During the income tax filing season, you can pick up Massachusetts personal income tax forms in many convenient locations, including post offices, libraries, and major city or town halls; any DOR office listed on this page; or IRS district offices across the state.



To obtain Massachusetts forms and publications by phone, call the Department's main information lines at (617) 887-MDOR or toll-free in Massachusetts at 1-800-392-6089. Please note that many forms and publications are available 24 hours a day by calling the Department's automated forms request system at the numbers listed above.



Many Massachusetts tax forms and publications are available via the DOR website. The address for the Department's website is [www.state.ma.us/dor](http://www.state.ma.us/dor).



Certain forms and publications can be obtained through DOR's Fax on Demand system. For a complete Fax on Demand menu, please call (617) 887-1900 using the handset and the keypad on your fax machine.

## For general tax information

**Please call (617) 887-MDOR or toll-free in Massachusetts 1-800-392-6089. These main information lines can provide assistance with the following:**

- ▶ abatements
- ▶ bills and payments
- ▶ business registration
- ▶ business taxes
- ▶ corporate excise
- ▶ corporate trusts
- ▶ estate taxes
- ▶ estimated taxes
- ▶ fiduciary taxes
- ▶ nonresident information
- ▶ partnerships
- ▶ personal income taxes
- ▶ refunds
- ▶ withholding

## For help in one of the following specific areas

**Please call the number listed below.**

- ▶ Certificates of Good Standing (617) 887-6550
- ▶ Federal changes (617) 887-6800
- ▶ Teletype (TTY) (617) 887-6140
- ▶ Vision-impaired taxpayers can contact any DOR office listed on this page to receive assistance.
- ▶ Upon request, this publication is available in an alternative format. Please send your request to: Office of Affirmative Action, PO Box 9488, Boston, MA 02205-9488 or call (617) 626-3410.
- ▶ Installment sales (617) 887-6950
- ▶ Small Business Workshop (617) 887-6400

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.

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**Massachusetts**

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**Department of**

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**Revenue**

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PO Box 7011

Boston, MA 02204

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BULK RATE  
U.S. POSTAGE  
**PAID**  
COMMONWEALTH OF  
MASSACHUSETTS

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**Dear Taxpayer,**

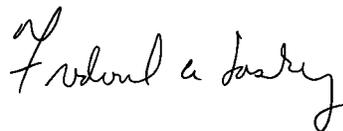
At the Massachusetts Department of Revenue (DOR), digital technology is making it easier than ever to file your state tax return. Last year, 446,000 taxpayers used DOR's Telefile and PC File programs to file their taxes. Those entitled to refunds received them within four days! This year, we have simplified both programs and expanded eligibility so that even more taxpayers will be able to use them.

For more information on these programs or to download DOR's free PC File software, please visit our website, [www.state.ma.us/dor](http://www.state.ma.us/dor). Both Telefile and PC File allow you to deposit your refund check directly into your bank account. Telefile allows you to use your credit or bank card to pay any tax due.

Improving the quality of our service to you is my highest priority. I have created a new position within DOR — the Taxpayer Advocate — whose job is to see that taxpayers' complaints are identified and resolved as quickly as possible. Thanks to the Legislature, DOR now has the authority to settle tax disputes much sooner than in the past. The new state budget includes provisions that repeal the requirement that disputed taxes must be paid before they can be appealed.

In the coming year, I look forward to working with taxpayers and tax specialists across the Commonwealth to improve even further the service that DOR provides.

Sincerely,



Frederick A. Laskey  
Commissioner of Revenue