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Commonwealth of Massachusetts

Department of Revenue

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# 2017 Instructions for Massachusetts Urban Redevelop- ment Excise Return Form **121A**

# Major 2017 Tax Law Changes

## Filing Due Dates

Massachusetts law was changed to conform the due dates for C corporation Massachusetts urban redevelopment corporation tax returns to federal filing due dates, beginning with tax returns due on or after January 1, 2018. G.L. c. 62C, sections 11 and 12 have been amended to require C corporations to file their tax returns on or before the 15th day of the fourth month following the close of each taxable year (April 15 in the case of corporations filing on a calendar year basis). This change affects all returns due on or after January 1, 2018, irrespective of a corporation's fiscal year end. The law did not change the filing due date for S corporation tax returns, which remains the 15th day of the third month following the close of each taxable year. See TIR 17-5.

## Extension Due Dates for Tax Returns Due on or After January 1, 2018

Urban redevelopment corporations are allowed an automatic extension to file their tax returns if they satisfy the payment requirements stated in TIR 15-15. For urban redevelopment corporations, tax returns filed on extension are due 6 months from the due date (October 15 in the case of corporations filing on a calendar year basis). See TIR 17-5.

## Extension Due Dates for Tax Returns Due on or Before December 31, 2017

The due dates for Massachusetts urban redevelopment corporation tax returns for tax years beginning after December 31, 2015 that are due on or before December 31, 2017 do not conform to the federal due dates for such returns. The Department of Revenue (DOR) announced late-file penalty relief with respect to such returns. See TIR 17-5.

## Who Must File Form 121A?

Every entity subject to Massachusetts General Law Chapter 121A, as amended, must file an annual return on Form 121A.

## When Are Returns Due?

Form 121A returns for C corporations, together with payment in full of any tax due, must be filed on or before the 15th day of the fourth month after the close of the taxable year, calendar or fiscal. Form 121A returns for S corporations, together with payment in full of any tax due, must still be filed on or before the 15th day of the third month after the close of the taxable year, calendar or fiscal. See TIR 17-5.

Taxpayers meeting certain payment requirements will be given an automatic six-month extension. For further information, see TIR 15-15.

**Note:** An extension of time to file is not valid if the taxpayer fails to pay at least 50% of the total tax liability or the minimum excise, whichever is greater.

## Where Returns Are Filed?

Returns should be mailed to **Massachusetts Department of Revenue, PO Box 7052, Boston, MA 02204**. Returns may also be filed using the MassTaxConnect application at [mass.gov/dor](http://mass.gov/dor).

## Penalty for Late Return

Failure to file this return on or before March 15, 2018 or within any extension of time granted, will subject the taxpayer to a penalty of 1% of the amount required to be shown as the tax less payments made on or before March 15, 2018 for each month or fraction thereof, of delinquency up to a maximum of 25%.

## Payment of Tax

The entire amount of the tax less any previous payments made is due and payable on the due date. Even though the taxpayer may obtain an extension of time for filing its return, there is no provision in the law for extending the time for payment.

## What Is a Valid Return?

A valid return is a return which properly documents how the taxpayer arrived at their gross income figure on line 1a in the Computation of Excise section. Preliminary or final audited financial statements and/or a copy of the federal form filed by the taxpayer are examples of proper documentation. In addition, the taxpayer must submit a letter from their city or town assessor attesting to the fair cash value of their property as of January 1, 2018. Failure to meet these minimum requirements may result in a penalty for filing an insufficient return.

## Whole Dollar Method

The whole dollar method should be used when entering amounts on the return.

## Registration Information

For any questions about your project's registration information please contact the assessing department of your project's city or town or contact DOR at (617) 887-5101 or (617) 887-6710. If your project encompasses several properties, only one property address is necessary. Taxpayers submitting final returns should contact DOR regarding their filing requirements.

The name provided in Item 5 should contain the name, title and contact information (if different from the registration address) of the person DOR should contact with any questions regarding the financial data associated with the project.

Item 7 refers to Section 8 or similar government subsidized rent payment programs. Projects approved prior to March 22, 1976 must include these payments in their line 1a gross income figure in the section *Computation of Excise*.

## Amended Return

If you need to change a line item on your return, complete a new return with the corrected information and fill in the "Amended Return" oval. Generally, an amended return must be filed within three years of the date that your original return was filed. By filling in the amended return oval, you are giving your consent for the Commissioner of Revenue to act upon your amended return after six months from the date of filing. If you choose not to consent, you must do so in writing and attach it to this amended return. If you do not consent, any requested reduction in tax will be deemed denied at the expiration of six months from the date of filing. If you are disputing an assessment resulting from an audit, or are requesting an abatement of penalties, do not file an amended return. Rather, you must file a Form ABT, Application for Abatement. Visit [mass.gov/dor/amend](http://mass.gov/dor/amend) for additional information about filing an amended return or filing an application for abatement.

## Computation of Excise Line Item Guidance Line 1a

Line 1a must include all payments described within MGL Chapter 121A, section 10, as amended. For projects using alternate gross income calculation methods (e.g. square footage) please include the pertinent pages of your project's agreement. For additional guidance, contact DOR.

**Line 4**

Line 4 refers to the three years valuation prior to the project becoming a 121A. City of Boston projects should use the figure provided on your fair cash value letter.

**Line 7**

The rate is the fiscal year 2018 local tax rate. This rate covers the period beginning July 1, 2017 and ending June 30, 2018. Please contact your project's city or town's assessing department to obtain their FY2018 local tax rate.

**Line 9**

Any corporation that wishes to contribute to the Natural Heritage and Endangered Species Fund may do so on this form. This amount is added to the excise due. The Natural Heritage and Endangered Species Fund is administered by the Department of Fisheries, Wildlife and Environmental Law Enforcement.