



2018 Instructions for Massachusetts Urban Redevelop- ment Excise Return Form **121A**

Massachusetts has an electronic filing requirement for this form. See TIR 16-9 for further information.

Filing Due Dates

Massachusetts law was changed in 2017 to conform the due dates for Massachusetts urban redevelopment corporation tax returns to federal filing due dates, beginning with tax returns due on or after January 1, 2018. Massachusetts General Laws (MGL) ch 62 §§ 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 Technical Information Release (TIR) 17-5.

For calendar year filers, Monday, April 15, 2019 is Patriot's Day, a legal holiday in Massachusetts. For Massachusetts tax purposes, returns and payments made with returns otherwise due on April 15, 2019 will be treated as timely if they are filed and/or paid on or before Wednesday, April 17, 2019.

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.

Who Must File Form 121A?

Every entity subject to taxation under MGL ch 121A, must file an annual return on Form 121A. In most instances returns and payments must be submitted electronically. Failure to submit the return electronically when required to do so may result in a penalty of \$100. For further information on electronic filing requirements, see TIR 16-9.

When Are Returns Due?

Form 121A returns, 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. See TIR 17-5.

Taxpayers meeting certain payment requirements will be given an automatic seven-month extension in the case of corporate excise taxpayers filing combined reports and a six-month extension for other corporate taxpayers. Taxpayers filing unrelated business income tax returns will be given an eight-month extension. For further information, see TIR 15-15.

Note: An extension of time to file is not valid if the corporation fails to pay at least 50% of the total tax liability or the minimum tax of \$456, whichever is greater, with Form 355-7004.

Any tax not paid on or before the due date — without regard to the extension — shall be subject to an interest charge.

What Is a Valid Return?

A valid return is a return that 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, 2019. Failure to meet these minimum requirements may result in a penalty for filing an insufficient return.

Filing an Amended Return

If you need to change a line item on your return, complete a return with the corrected information and fill in the **Amended return** oval. An amended return can be filed to either increase or decrease your tax. Generally, an amended return must be filed within three years of the date that your original return was filed. Electronic filing requirements apply to amended returns and disputes. See TIR 16-9 for further information.

Federal Changes

If this is an amended Massachusetts return and it does not report changes that result from the filing of a federal amended return or from a federal audit (for example, if the amended Massachusetts return is reporting only a change in the apportionment calculation or an additional tax credit), fill in only the **Amended return** oval. If this is an amended return that includes changes you have reported on an amended federal return filed with the IRS for the same tax year, fill in both the "amended return" box and the **Federal amendment** oval. If the amended Massachusetts return incorporates changes that are the result of an IRS audit, check both the **Amended return** oval and the **Federal audit** oval; enclose a complete copy of the federal audit report and supporting schedules.

Consent to Extend the Time to Act on an Amended Return Treated as Abatement Application

In certain instances, an amended return showing a reduction of tax may be treated by DOR as an abatement application. Under such circumstances, by filing an amended return, you are giving your consent for the Commissioner of Revenue to act upon the abatement application after six months

from the date of filing. See TIR 16-11. You may withdraw such consent at any time by contacting the DOR in writing. If consent is withdrawn, any requested reduction in tax will be deemed denied either at the expiration of six months from the date of filing or the date consent is withdrawn, whichever is later.

Filing an Application for Abatement

File an Application for Abatement, Form ABT, only to dispute one of the following:

- Penalties.
- Audit assessments.
- Responsible person determinations.

For the fastest response time, file your dispute online at mass.gov/masstaxconnect. If you are not required to file electronically or you cannot file online, use Form ABT.

Visit mass.gov/dor/amend for additional information about filing an amended return, or filing an application for abatement.

Whole Dollar Method

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

Registration Information

For any questions about a 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.

General Instructions

Line 1

Fill in the applicable oval if the taxpayer is a corporation or a partnership. Fill in **Other** if the taxpayer is not a corporation or a partnership. Other taxpayers include non-profit corporations, for-profit corporations, joint ventures, public /private partnerships, insurance companies, and financial institutions.

The information 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 line 1a gross income figure in the Computation of Excise.

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 call DOR at (617) 887-MDOR, toll-free within Massachusetts at (800) 392-6089 or visit our website at www.mass.gov/dor.

Line 4

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

Line 7

The appropriate rate is the fiscal year 2019 local tax rate. This rate covers the period beginning July 1, 2018 and ending June 30, 2019. Please contact your project's city or town's assessing department to obtain the FY2019 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.