Department of Revenue | Commonwealth of Massachusetts

2025 Massachusetts Nonresident or Part-Year Resident Income Tax

(Revised August 4, 2026)

FORM 1-NR/PY

Turn the page for information on e-filing your return this year.

Get ready to e-file this year!

There are three easy and convenient ways to do it.

1 E-File for Free

Many Massachusetts taxpayers qualify to file their federal and state returns for free. Check if you qualify at mass.gov/efile.

You may also be able to file your tax return online through DOR's MassTaxConnect. You qualify for this option if you previously filed a Massachusetts return, and the forms you need for your return are supported by the program.

2 Tax Preparation Software

You can also e-file using commercial tax filing products. Visit our website for a complete list of approved products. While some of these products offer a paper filing option, you may only use that if it includes a 2D barcode in the upper right corner of all pages. If you experience issues with 2D printing, contact the software company for instructions before filing to prevent rejection. Also, be sure to use the correct mailing address for 2D barcode forms: Massachusetts Department of Revenue, PO Box 7000, Boston, MA, 02204 for refunds or no payments, or Massachusetts Department of Revenue, PO Box 7003, Boston, MA, 02204 for payments. For more information, see DOR's online tax form instructions.

3 Tax Preparers

Most paid tax preparers offer e-filing services to help clients avoid errors, delays, and longer refund times. Legally, any preparer who files more than 10 Massachusetts income tax returns must e-file (TIR 11-13 includes a specific taxpayer opt-out option for this law). Preparers submitting paper returns for clients must meet certain requirements to avoid penalties and fines. A list of tax preparers is available on our website.

Additionally, free tax return preparation is available for qualifying taxpayers. Visit mass.gov/taxassistance to check if you qualify.

mass.gov/efile

If Paper is Your Only Option

For some, filing on paper may be the only option. DOR now offers fillable PDF forms to complete your tax return, which makes the processing of your return easier and avoids delays. You can directly enter your tax information and print and send it to DOR. For more information, see mass.gov/dor/incomeforms.

Notice:

For tax year **2025**, several significant changes have been made to Massachusetts tax law. These changes impact how certain federal tax provisions are treated on your Massachusetts return.

All new or updated provisions for **2025** are marked with three asterisks **(***)** at the end of the relevant title throughout these instructions.

Summary Table:

Tax Provision	Federal Code	MA Form 1-NR/PY Schedule C Line	MA Form 1-NR/PY Schedule E Line	Reporting Guidance
Business Interest Expense Deduction	§ 163(j)	11	11	Report difference; attach explanation
Special Depreciation Allowance	§ 168(n)	11	18	Report difference; attach explanation
Research & Experimental Deductions	§ 174/174A	26	16	Report difference; attach explanation
Section 179 Expensing	§ 179	14b	18	Report difference; attach explanation

Who Must File

You must file Massachusetts Form 1-NR/PY, Nonresident/Part-Year Resident Income Tax Return if you were not a resident of Massachusetts for any part of the year and the lesser of either:

1. Your Massachusetts source income was more than $8,000; or

2. Your Massachusetts source income was more than your personal exemption amount multiplied by the ratio of your Massachusetts income to your total income.

You also must file Form 1-NR/PY if you were a resident of Massachusetts for part of the year and you had more than $8,000 in gross income during that time, whether received from sources inside or outside of Massachusetts.

To see whether you are a full-year resident, nonresident, part-year resident, or a nonresident and part-year resident, determine which category applies to you:

1. You are a full-year resident if your residensce (domicile) was in Massachusetts for the entire taxable year or if you maintained a permanent place of abode in Massachusetts and during the year spent more than 183 days, in the aggregate, in the state. If you fit this description, you should file Form 1, Massachusetts Resident Income Tax Return.

2. You are a nonresident if you are not a resident of Massachusetts as defined above but received Massachusetts source income (e.g. from a job in Massachusetts). Fill in the **Nonresident** oval at the top of the form if this category applies to you. A nonresident who is filing Form 1-NR/PY to report income not included on a Nonresident Composite Return filed on their behalf also should fill in the **Nonresident** oval.

3. You are a part-year resident if, during the taxable year, you moved to Massachusetts or established a permanent place of abode here and became a resident, or you terminated your status as a Massachusetts resident to establish a residence outside the state. Fill in the **Part-year resident** oval at the top of the form if this category applies to you.

4. If you were a Massachusetts resident for part of the 2025 tax year, and while you were not a resident of Massachusetts you received Massachusetts source income (e.g., from a job in Massachusetts), file as both a nonresident and part-year resident. Fill in the **Filing as both a nonresident and part-year resident** oval below the address section of the form if this category applies to you. Complete Schedule R/NR, Resident/Nonresident Worksheet, to calculate the portion of income received while a nonresident and the portion of income received while a part-year resident. Schedule R/NR is included in this booklet.

5. Fill in the **Nonresident composite return** oval if this return is being filed as a composite return on behalf of nonresident professional athletic team members. See the instructions on page 9.

For more information on Massachusetts source income, refer to the section Filing Your Massachusetts Return.

Major 2025 Tax Law Changes

For more up-to-date and detailed information and to view all of the public written statements referenced in these instructions, visit mass.gov/dor.

Filing Due Dates

Form 1-NR/PY is due on or before April 15, 2026.

4% Surtax

Starting with tax year 2023, personal income taxpayers must pay an additional 4% on taxable income over $1,000,000, increased annually for inflation. For the 2025 tax year, the threshold is $1,083,150.

Employer-Provided Parking, Transit Pass, and Commuter Highway Vehicle Benefits Exclusion Amounts

Massachusetts conforms to the federal income exclusion for employer-provided parking, transit pass, and commuter highway vehicle transportation benefits. The IRS has determined that the 2025 inflation-adjusted monthly exclusion amounts are $325 for employer-provided parking and $325 for combined transit pass and commuter highway vehicle transportation benefits.

Penalty for Failure to Obtain Health Insurance

Massachusetts requires most adults 18 and over with access to affordable health insurance to obtain it. In 2025, individuals must be enrolled in health insurance policies that meet minimum creditable coverage standards defined in regulations adopted by the Commonwealth Health Insurance Connector Authority (Health Connector).

Individuals who are deemed able to afford health insurance but fail to obtain it are generally subject to penalties in Massachusetts for each month of noncompliance in the tax year. The monthly penalties for 2025, which will be imposed through the individual's personal income tax return, are set out in Technical Information Release (TIR) 25-1 and are based on the monthly insurance premium for which an individual would have qualified through the Health Connector.

Withholding on Sales of Massachusetts Real Estate

Sales of Massachusetts real estate are subject to withholding on the gross sales price or estimated net gain from the sale, when the gross sales price equals or exceeds $1,000,000. The amount withheld is calculated based on the gross sales price of the real estate, unless the seller elects the alternative withholding calculation based on the seller's estimated net gain from the sale of the real estate. The seller must report gain from the sale of real estate on their return for the tax year in which the sale takes place, and the seller may claim the amount withheld as a credit on their return. The credit is available for tax years beginning on or after January 1, 2025, for real estate closings that occur on or after November 1, 2025. There are many exemptions from the withholding requirement, including for sales by residents, but there are reporting requirements applicable to all sellers. For additional information see 830 CMR 62B.2.4 and the Department's website at mass.gov/dor.

Circuit Breaker Tax Credit

Taxpayers aged 65 or older who own or rent residential property located in Massachusetts are allowed a credit equal to the amount by which their total real estate tax payments, or 25% of their rent in the case of a renter, exceeds 10% of the taxpayer's total income. The credit cannot exceed a certain maximum amount that is determined by multiplying a statutory base amount by a cost-of-living adjustment for the calendar year in which the taxable year begins. The maximum credit for tax year 2025 is $2,820.

The amount of the credit is subject to limitations based on the taxpayer's total income and the assessed value of the real estate, which for tax year 2025 must not exceed $1,298,000. For purposes of calculating the credit, total income and maximum credit thresholds are adjusted annually for inflation. For tax year 2025, an eligible taxpayer's total income cannot exceed $75,000 in the case of a single filer who is not a head of household filer; $94,000 in the case of a head of household filer; and $112,000 in the case of a joint filer.

To qualify for the credit, a taxpayer must be age 65 or older and must occupy the property as his or her principal residence.

Massachusetts Credits

Several new credits are available. In addition, certain existing credits have been revised. These are discussed in detail in TIR 24-16 and TIR 25-5.

New Climatetech Tax Incentive Program

The Climatetech Tax incentive program adds three new credits for eligible expenses incurred by climatetech companies in developing and deploying technologies aimed at mitigating or adapting to cli-

mate change. The credit takes effect for tax years beginning on or after January 1, 2024. A climatetech company must be certified as such by the Massachusetts clean energy technology center ("MassCETC").

The credits include the following.

• The Climatetech Incentive Jobs Credit is awarded in an amount determined by MassCETC (in consultation with the Department of Revenue) to climatetech companies that create at least five new jobs in the climatetech sector. The credit is available to both corporate excise and personal income tax filers.

• The Climatetech Capital Investment Credit is awarded in an amount, determined by MassCETC, up to fifty percent of a climatetech company's investment in a climatetech facility. The credit is available to both corporate excise and personal income tax filers.

• The Climatetech Qualified Research Expenses Credit is awarded at the discretion of MassCETC in an amount equal to the sum of (i)10% of the excess of qualified research expenses for the taxable year, over a base amount, and (ii)15% of the basic research payments as determined for federal tax purposes. The credit is available to corporate excise filers only.

See TIR 25-5, Section I, for a more detailed discussion of the credits, including eligibility, refundability, carryover of unused credits, and limitations on the credits.

New Live Theater Credit

The Live Theater Credit is available for costs incurred in presenting certain live theater productions in Massachusetts. The credit is equal to the sum of (i) 35% of a theater company's total in-state payroll costs, (ii) 25% of its total in-state production and performance expenditures, and (iii) 25% of its total in-state transportation expenses. The Massachusetts Office of Business Development awards the credit based on applications submitted by theater companies. The credit is available to both corporate excise and personal income tax filers. The credit is transferable but is not refundable. Unused credit may be carried forward for five years. The credit is available for tax years beginning on or after January 1, 2025, and will expire on January 1, 2030. For additional information see TIR 25-5, Section II.

New Homeownership Credit

The Homeownership Credit is available to real estate developers that build certain new housing units. The credit is awarded in an amount determined by the Massachusetts Housing Finance Agency based on applications submitted by developers. The credit is available to both corporate excise and personal income tax filers. The credit is transferable but not refundable. The credit is available for tax years beginning on or after January 1, 2025. For additional information, including eligibility rules, see TIR 24-16, Section II.

New Qualified Conversion Credit

The Qualified Conversion Credit is available to real estate developers that convert existing commercial property to residential or mixed use. The credit is awarded in an amount determined by the Executive Office of Housing and Livable Communities based on applications submitted by developers. The credit cannot exceed 10% of a developer's costs. The credit is available to both corporate excise and personal income tax filers. The credit is transferable but not refundable. The credit is available for tax years beginning on or after January 1, 2025, and expires on December 31, 2029. For additional information see TIR 24-16, Section III.

Other Credits

Certain existing credits have been revised by recent legislation. These revisions expand the availability of the following credits for the tax years indicated:

• Community Investment Credit (effective for tax years beginning on or after January 1, 2025);

• Economic Development Incentive Program Credit, (effective for credits awarded on or after November 20, 2024);

• Historic Rehabilitation Credit, (effective for tax years beginning on or after January 1, 2024);

• Life Sciences Tax Incentive Program (effective for tax years beginning on or after January 1, 2024);

• Research Credit (effective for research expenses incurred on or after November 20, 2024);

• Offshore Wind Investment Tax Credit (effective retroactively for tax years beginning on or after January 1, 2023); and

• Offshore Wind Jobs Tax Credit (effective retroactively for tax years beginning on or after January 1, 2023).

For additional information see TIR 24-16 Sections IV and V and TIR 25-5 Sections V through VIII and X through XIII.

Single Sales Factor Apportionment

Effective for tax years beginning on or after January 1, 2025, personal income tax filers that are required to apportion their income to Massachusetts must do so by using the sales factor only. See TIR 24-4, Section IV, for a general discussion of this change.

Federal Conformity

In general, a taxpayer's Massachusetts gross income and many deductions are based on the taxpayer's federal gross income and deductions under the Internal Revenue Code (IRC) as of a specific date. For tax years beginning on or after January 1, 2024, the Massachusetts personal income tax generally conforms to the IRC as amended and in effect on January 1, 2024. For further information regarding federal tax law changes see TIR 24-14, TIR 26-4: Massachusetts Conformity to Certain Provisions in Public Law No. 119-21, and TIR 26-xx: Tax Provisions in the Fiscal Year 2026 Final Mid-Year Supplemental Appropriation Bill for a discussion of Massachusetts' conformity to recent federal legislation.

As a general rule, Massachusetts does not conform to personal income tax law changes to the IRC made after January 1, 2024. However, certain specific Massachusetts personal income tax provisions, as set forth in MGL ch. 62, § 1(c), automatically conform to the IRC currently in effect. The provisions of the IRC that Massachusetts conforms to on a current basis include those provisions relating to:

• Roth IRAs;

• IRAs;

• The exclusion for gain on the sale of a principal residence;

• Trade or business expenses;

• Travel expenses;

• Meals and entertainment expenses;

• The maximum deferral amount of government employees' deferred compensation plans;

• The deduction for health insurance costs of self-employed taxpayers;

• Medical and dental expenses;

• Annuities;

• Health savings accounts;

• Employer-provided health insurance coverage;

• Amounts received by an employee under a health and accident plan; and

• Contributions to qualified tuition programs.

Federal Tax Law Changes (***)

Federal legislation passed in **2025** made a number of changes to the IRC. The Massachusetts personal income tax adopts only those changes that relate to provisions that Massachusetts adopts on a current basis (as listed above).

Relief from Certain Penalties and Interest on Late Payments and Underpayments (***)

Taxpayers who timely filed their tax year **2025** return or timely made their **2025** extension payment applying certain provisions of federal Public Law No. 119-21 before the enactment of the Supplemental Budget can obtain relief from certain penalties and interest. No interest or penalties shall be imposed on any underpayments, late payments, or underpaid estimated payments attributable to changes in law made by the Supplemental Budget for those taxpayers. See St. 2026, c. 101, § 38. This relief applies to adjustments taxpayers are required to make to their deductions under IRC §§ 163(j)(8), 168(n), 174, 174A, and 179, and any exclusions taken under IRC § 1400Z-2. **See the "Filing an Amended Return" section. (***)**

Business Interest Expense Deduction (***)

Starting with tax year 2025, federal law has been revised to increase the limitation on the deduction for business interest expenses. See IRC § 163(j). IRC § 163(j) limits the business interest expense deduction to a percentage of a taxpayer's adjusted taxable income. See TIR 19-17. The federal computation of adjusted taxable income has been revised to exclude certain income, reducing the amount of the limitation and thereby increasing the potential deduction. Federal law has changed the definition of adjusted taxable income in IRC § 163(j) in several respects.

Massachusetts does not adopt the change to the federal adjusted taxable income definition in IRC § 163(j)(8) for tax years 2025 and 2026 that permanently allows the calculation to be made without regard to any deduction allowable for depreciation, amortization, or depletion. See TIR 26-4: Massachusetts Conformity to Certain Provisions in Public Law No. 119-21 and TIR 26-xx: Tax Provisions in the Fiscal Year 2026 Final Mid-Year Supplemental Appropriation Bill.

Special Depreciation Allowance for Qualified Production Property (***)

Federal law provides a special depreciation allowance for specified qualified production property placed in service after July 4, 2025, and before January 1, 2031. See IRC § 168(n). Qualified production property refers to nonresidential real property used in manufacturing, chemical or agricultural production, or refining that results in the production of physical products. The federal special depreciation allowance is 100% of the cost of such property.

Massachusetts does not adopt the federal special depreciation allowance for tax years 2025 and 2026. The amount of the federal deduction is disallowed as a Massachusetts deduction. However, taxpayers may recover the cost of qualified production property using a depreciation method available under the provisions of federal tax law that Massachusetts has adopted. See TIR 26-4: Massachusetts Conformity to Certain Provisions in Public Law No. 119-21 and TIR 26-xx: Tax Provisions in the Fiscal Year 2026 Final Mid-Year Supplemental Appropriation Bill.

Domestic Research and Experimental Expense Deduction (***)

Starting with tax year 2025, domestic research and experimental expenses are fully deductible in the tax year they are incurred pursuant to IRC § 174A for federal tax purposes. For federal tax purposes, eligible expenses that were capitalized in prior years may be deducted in full in the 2025 tax year or ratably in a two-year period in 2025 and 2026 tax years. For federal tax purposes, certain small businesses may also elect to retroactively apply IRC § 174A by amending their **2022**, **2023**, and **2024** federal tax returns.

Massachusetts does not conform to IRC § 174A for tax year 2025 or any prior tax years. For Massachusetts purposes, all research and experimental costs must be capitalized and recovered through amortization deductions pursuant to IRC § 174 as amended and in effect prior to Public Law 119-21. Previously amortized amounts may be deducted as permitted by federal amortization schedules in effect prior to the enactment of IRC § 174A. Filers that claimed the federal IRC § 174A deduction on their Massachusetts returns for prior years must file amended Massachusetts returns to reduce the amount of the Massachusetts deduction. See TIR 26-4: Massachusetts Conformity to Certain Provisions in Public Law No. 119-21 and TIR 26-xx: Tax Provisions in the Fiscal Year 2026 Final Mid-Year Supplemental Appropriation Bill. **See the "Filing an Amended Return" section. (***)**

For the most up-to-date and detailed information about penalty and interest relief for tax years 2022–2024 related to Massachusetts conformity with federal law P.L. 119-21, visit mass.gov/dor.

Increased IRC § 179 Dollar Limitations (***)

Starting with tax year 2025, the federal limitation on the full expense deduction under IRC § 179 has been increased to $2.5 million and the deduction phases out at $4 million. Both amounts are subject to adjustment for inflation.

Massachusetts does not adopt these limits for tax years 2025 and 2026. The Massachusetts limit and phase-out amounts, adjusted for inflation, are $1,250,000 and $3,130,000. See TIR 26-4: Massachusetts Conformity to Certain Provisions in Public Law No. 119-21 and TIR 26-xx: Tax Provisions in the Fiscal Year 2026 Final Mid-Year Supplemental Appropriation Bill.

Changes to the Tax Treatment of Investments in Qualified Opportunity Zones Under IRC § 1400Z-2 (***)

Federal law permanently renewed and modified the tax benefits of investments in qualified opportunity zones provided by IRC § 1400Z-2.

Massachusetts does not adopt these renewals and modifications for taxable years beginning on or after January 1, 2025, but before January 1, 2027. See TIR 26-4: Massachusetts Conformity to Certain Provisions in Public Law No. 119-21 and TIR 26-xx: Tax Provisions in the Fiscal Year 2026 Final Mid-Year Supplemental Appropriation Bill.

Qualified Opportunity Zones Must be Located Entirely Within Massachusetts (***)

For taxable years beginning on or after January 1, 2026, Massachusetts requires that a qualified opportunity zone must be located entirely within Massachusetts. Taxpayers must add back any exclusions taken for investments made after January 1, 2026, in qualified opportunity zones not located entirely within Massachusetts. See TIR 26-4: Massachusetts Conformity to Certain Provisions in Public Law No. 119-21 and TIR 26-xx: Tax Provisions in the Fiscal Year 2026 Final Mid-Year Supplemental Appropriation Bill.

Note: Massachusetts does not adopt the federal deduction for tip income (IRC § 224) or the federal deduction for overtime pay (IRC § 225). Massachusetts does not adopt the new revision for the business interest deduction (IRC § 163(j)(8)) or the federal special depreciation allowance (IRC § 168(n)). Massachusetts does not adopt the new eligible domestic research and experimental expenses (IRC § 174A) or the new limits for the depreciation and IRC § 179 deduction (IRC § 179). For details see TIR 26-xx and the above section. For further information regarding federal tax law changes see TIR 24-14 and Working Draft TIR: Massachusetts Conformity to Certain Provisions in Public Law No. 119-21.

Applying for Relief Related to Massachusetts Conformity with the Provisions of Federal Law P.L. 119-21 (***)

To claim relief from certain penalties on late payments and underpayments for the **2025 tax year** for a personal income taxpayer that has a valid extension but has not yet filed a return, **an individual subject to Massachusetts income tax** must attach to their original **2025** tax return: **(***)**

- **Massachusetts Schedule M-2210** (Underpayment of Massachusetts Estimated Tax).
- **Massachusetts Schedule TDS** (Taxpayer Disclosure Statement), including:
  - The following statement: "Taxpayer is applying for relief related to Massachusetts conformity with the provisions of federal law P.L.

119-21" and clearly specify which IRC provision(s) are being adjusted. Relevant provisions include:

- Domestic Research and Experimental Expense Deductions under **Code § 174** and **New Code § 174A;**
- Special Depreciation Allowance for Qualified Production Property under **Code § 168(n);**
- Increased Dollar Thresholds for Deductible Amounts when Expensing Certain Business Assets under **Code § 179;**
- Modification of Limitation on Business Interest Expense Deduction under **Code § 163(j); and**
- Changes to the Tax Treatment of Investments in Qualified Opportunity Zones under **Code § 1400Z-2.**

• An explanation of how the adjustment was calculated, and how it is reflected in the attached **Schedule M-2210**.

For more up-to-date and detailed information concerning penalty and interest relief related to Massachusetts conformity with the provisions of federal law P.L. 119-21, visit mass.gov/dor.

Privacy Act Notice

Under the authority of 42 USC § 405(c)(2)(C)(i), and MGL ch 62C, § 5, the DOR has the right to require an individual to furnish his or her Social Security number on a state tax return. This information is mandatory. DOR uses Social Security numbers for taxpayer identification to assist in processing and keeping track of returns and in determining and collecting the proper amount of tax due. Under MGL ch 62C, § 40, the taxpayer's identifying number is required to process a refund of overpaid taxes. Although tax return information is generally confidential pursuant to MGL ch 62C, § 21, DOR may disclose return information to other taxing authorities and those entities specified in MGL ch 62C, §§ 21, 22 or 23, and as otherwise authorized by law.

Filing Your Massachusetts Return

As a nonresident, you must file Form 1-NR/PY if your Massachusetts source income for 2025 exceeded the smaller of your apportioned personal exemption, or $8,000.

Am I a Resident, Nonresident, or Part-Year Resident?

There are four different categories of resident status under Massachusetts tax law:

• You are a full-year resident if your residence (domicile) is in Massachusetts or if you maintain a permanent place of abode in Massachusetts and during the year spend more than 183 days, in the aggregate, in the state. If you fit this description you should file a Massachusetts Resident Income Tax Return, Form 1.

• You are a nonresident if you were not a resident of Massachusetts but received Massachusetts income (e.g., from a job in Massachusetts). You must report such income by filing a Massachusetts Form 1-NR/PY.

• You are a part-year resident if you either moved into or moved out of Massachusetts during the taxable year. In this case, you must reduce certain income, deductions and exemptions based on the number of days you were a resident or on the amount of your income that is subject to Massachusetts tax. Part-year residents must file a Massachusetts Form 1-NR/PY.

• You are both a nonresident and part-year resident if you meet the criteria above for both the part-year resident and nonresident categories. If filing as a nonresident and part-year resident, the Schedule R/NR must be completed.

What Is Massachusetts Source Income for Nonresidents?

The term "Massachusetts source income" is used throughout this booklet to describe the types of income which are taxable to a nonresident.

A nonresident is only subject to tax on items of income derived from or effectively connected with:

• Any trade, business, or employment carried on in Massachusetts (see the following section);

• Participation in any lottery or wagering transaction in Massachusetts; or

• Ownership of any interest in real or tangible personal property located in Massachusetts.

• Some examples of the types of income taxable to a nonresident:

• All wages, salaries, tips, bonuses, fees and other compensation which relate to activities carried on in Massachusetts, regardless of where or when the compensation is paid;

• Unemployment compensation related to previous Massachusetts employment;

• Profit from a business, trade, profession, partnership, or S corporation conducted in Massachusetts;

• Rents and royalties from real and tangible personal property located in Massachusetts or from other business activities in Massachusetts;

• Gain from the sale of real or tangible personal property located in Massachusetts;

• Interest and dividends, only if derived from or connected with Massachusetts business activity, or the ownership of Massachusetts real estate or tangible personal property; and

• The definition of Massachusetts source income now includes gain from the sale of a business or an interest in a business, separation, sick or vacation pay, deferred compensation, income from covenants not to compete, and nonqualified pension income that federal law allows states to tax.

Income from Massachusetts sources which is not taxed to residents is not taxed to nonresidents, e.g., interest on debt obligations of the U.S. and amounts received as Social Security and certain worker's compensation.

In general, the same exemptions and deductions allowed to residents are available to nonresidents to determine taxable income. These items are allowed, however, only to the extent they relate to, or are allocable to, Massachusetts source income.

Am I Carrying on a Trade, Business or Employment in Massachusetts as a Nonresident?

A nonresident generally does not have a trade, business or employment carried on in Massachusetts if his/her presence for business in Massachusetts is casual, isolated and inconsequential. A nonresident's presence for business will be considered casual, isolated and inconsequential if the nonresident's business presence in Massachusetts is ancillary to the nonresident's primary business or employment duties performed at a base of operations outside Massachusetts — for example, an occasional presence in Massachusetts for management functions, and other similar activities which are secondary to the individual's primary out-of-state duties.

Are Military Personnel Required to File?

If you enlisted in the service as a Massachusetts resident and have not established a new domicile (residence) elsewhere (refer to military guidelines) and if your gross income is more than $8,000, you are required to file a Massachusetts resident income tax return. This applies even though you may be stationed outside of Massachusetts. The terms "residence" and "domicile" are used to denote that place where you have your permanent home and to which, whenever you are absent, you have the intention of returning. Nonresident military personnel stationed in Massachusetts may be subject to Massachusetts taxes and should file Form 1-NR/PY if they earn income from outside military sources.

Military spouses. The Military Spouses Residency Relief Act (P.L. 111- 97) prohibits a servicemember's spouse from either losing or acquiring

a residence or domicile for purposes of taxation because of being absent or present in any U.S. tax jurisdiction solely to be with the servicemember in compliance with the servicemember's military orders. In general, for Massachusetts tax purposes, the law affects only servicemembers and their spouses who are domiciled in a state other than Massachusetts.

As of January 5, 2023, the Veterans Auto and Education Improvement Act (P.L. 117–333) allows a servicemember and the spouse of such servicemember to choose as their residence or domicile for each taxable year of the marriage, regardless of the date of the marriage, from any of the following: (a) the residence or domicile of the servicemember; (b) the residence or domicile of the spouse; or (c) the permanent duty station of the servicemember.

Note: Massachusetts excludes from gross income compensation earned by members of the armed forces for service in a combat zone, to the same extent it is excluded under federal law.

No guidance is intended on the tax treatment of such pay under the laws of other states. Generally, when income is taxable in two jurisdictions, a credit for taxes paid to the other jurisdiction is allowed on the taxpayer's return in the state of his/her residence.

How Do I Determine My Residence (Domicile)?

Your residence is determined by all the facts and circumstances in your case. If you have two or more residences, your residence is the one you regard as your true home or principal residence. You cannot choose to make your home in one place for the general purposes of life and in another for tax purposes. Your residence is usually the place where you maintain your most important family, social, economic, political and religious ties. A change of residence will not be accomplished by a temporary or protracted absence from a place; you must not intend to return.

Note: A person is also considered a resident if they maintain a permanent place of abode in Massachusetts and spend more than 183 days, in the aggregate, in the state. See TIR 95-7 for a further explanation.

What is Gross Income for a Part-Year Resident?

As a part-year resident, you must file Form 1-NR/PY if your gross income was more than $8,000 — whether received from sources inside or outside of Massachusetts.

Gross income for a part-year resident includes:

- All wages, salaries, tips, bonuses, fees and other compensation;
- Taxable pensions and annuities;
- Taxable alimony (see Schedule X instructions);
- Income from a business, trade, profession, partnership, S corporation, trust or estate;
- Rental, royalty and REMIC income;
- Unemployment compensation;
- Taxable interest and dividends;
- Gambling winnings;
- Capital gains;
- Forgiveness of debt;
- Mortgage forgiveness;
- Taxable portion of scholarships and fellowships; and
- Any other income not specifically exempt.
- Massachusetts gross income also includes the following which are not subject to the U.S. income tax:
- Interest from obligations of states and their political subdivisions, other than Massachusetts and its political subdivisions; and
- Income earned by a resident from foreign employment.

Massachusetts gross income does not include:

- Interest on obligations of the U.S. and U.S. territories;
- Pension income received from a contributory annuity, pension, endowment or retirement fund of the U.S. government or the Commonwealth of Massachusetts and its political subdivisions.
- Amounts received as U.S. Social Security, public welfare assistance, Veterans Administration disability payments, G.I. Bill education payments, certain worker's compensation, gifts, accident or life insurance payments, or certain payments received by Holocaust survivors; and
- Compensation earned by members of the armed forces for service in a combat zone (excluded to the same extent as under federal law).

What Adjustments Must I Make as a Part-Year Resident?

Part-year residents must adjust income, deductions and exemptions when completing Form 1-NR/PY. In general, these items are reduced because all of your income may not be subject to Massachusetts tax. Your deductions and exemptions are based on the number of days you were a Massachusetts resident or the amount of income that is subject to Massachusetts tax.

Income

Lines 5 through 11, 24, 27 and Schedule D, Line 21

If you received only a portion of the income you reported on your U.S. return while you were a Massachusetts resident, subtract from your U.S. income the amount earned and received while you were domiciled in another state or country. However, you may be required to include all income derived from Massachusetts sources received while you were a nonresident, such as from rental property or from a trade or business, including employment, on Schedule R/NR, Resident/Nonresident Worksheet. Such income now includes gains from the sale of a business or an interest in a business, separation, sick or vacation pay, deferred compensation, income from covenants not to compete, and nonqualified pension income that federal law allows states to tax.

Deductions

Lines 15 through 19

Most deductions are based on the actual amounts paid by you associated with the deduction for the period of time you were in Massachusetts.

The deductions listed below are based on the proration of the number of days you were a Massachusetts resident. See line 3 on Form 1-NR/PY for the proration formula.

- Schedule Y, line 6, Archer medical savings account (MSA) deduction;
- Schedule Y, line 8, health savings account deduction;
- Schedule Y, line 9c, charitable contribution deduction;
- Schedule Y, line 10, student loan interest deduction;
- Schedule Y, line 12, undergraduate student loan interest deduction;
- Schedule Y, line 15, commuter deduction; and
- Schedule Y, line 18, prepaid tuition or college savings program deduction and student loan repayment assistance deduction.

The deductions listed below are based on the actual amounts paid or received for the period of time you were in Massachusetts. For example, you may only deduct alimony (to the extent allowable as a deduction) paid while you were a Massachusetts resident. (See Schedule Y, line 3). Similarly, the deduction for attorney's fees and court costs involving certain unlawful discrimination suits (Schedule Y, line 9) must be directly related to Massachusetts income as reported on Form 1-NR/PY, line 12.

- Schedule Y, lines 2 through 4;
- Schedule Y, line 5, moving expenses;
- Schedule Y, line 7, self-employed health insurance deduction;
- Schedule Y, line 9a, Certain Qualified Deductions;
- Schedule Y, line 9b, Certain business expenses;

- Schedule Y, line 13, deductible amount of qualified contributory pension income from another state or political subdivision;
- Schedule Y, line 14, claim of right deduction; and
- Schedule Y, line 17, certain gambling losses.

Exemptions

Lines 4a through 4f

Your total exemptions (line 4g) must be prorated based upon the ratio of days you were a Massachusetts resident. To adjust your exemptions, use the formula in line 3 and see line 22 instructions.

Health Care Penalty

Line 39

If you are a part-year resident subject to the Health Care Penalty for 2025 and are not appealing the application of the penalty, enter the penalty amount from line 8 of the Health Care Penalty Worksheet in line 39a for you and/or line 39b for your spouse. Enter the total of lines 39a and 39b in line 39, but do not enter less than 0. Be sure to enclose Schedule HC with your return. Failure to do so will delay the processing of your return.

If married filing a joint return and both you and your spouse are subject to the penalty, separate Health Care Penalty Worksheets must be filled out to calculate the separate penalty amounts for you and your spouse, using your married filing jointly income.

A part-year resident taxpayer who does not have health insurance that meets the Massachusetts standard of minimum creditable coverage may be subject to a Massachusetts penalty.

Earned Income Credit

Line 47

Your earned income credit (line 47) must be prorated based upon the ratio of days you were a Massachusetts resident. To adjust this credit, use the formula in line 3 and see line 47 instructions.

Should I Make Estimated Tax Payments in 2026?

Every taxpayer (whether a resident or nonresident) who expects to pay more than $400 in Massachusetts income taxes on income which is not covered by Massachusetts withholding must pay Massachusetts estimated taxes. Estimated tax payments can be made online by using DOR's MassTaxConnect application at mass.gov/dor. See line 44 instructions for more information.

How Do I File a Decedent's Return?

A final income tax return must be filed for a taxpayer who died during the taxable year. It must be signed and filed by his/her executor, administrator or surviving spouse for the portion of the year before the taxpayer's death. Be sure to fill in oval 1 if the taxpayer who was listed first on last year's income tax return is deceased, or oval 2 if the taxpayer who was listed second on last year's income tax return is deceased. Enter the date of death for the deceased taxpayer. Also, enclose Form M-1310 with the refund claimant's name and Social Security number clearly printed.

A joint return may be filed by a surviving spouse. In the case of the death of both spouses, a final return must be filed by their legal representative.

Any income of $100 or more received for the decedent for the taxable year after the decedent's death, and for succeeding taxable years until the estate is completed, must be reported each year on Massachusetts Form 2, Massachusetts Fiduciary Income Tax Return.

If the decedent's return shows a refund due, and if the Probate Court has not appointed a legal representative and none is contemplated, a Massachusetts Form M-1310, Statement of Claimant to Refund Due on Behalf of Deceased Taxpayer, must be enclosed with the return so the refund check may be made payable to the proper person.

When to File Your Return

Your 2025 Form 1-NR/PY is due on or before April 15, 2026.

Automatic Extensions

All taxpayers filing personal income tax returns are automatically granted a six-month extension of time to file their tax return as long as at least 80% of the total amount of tax ultimately due on or before the due date prescribed for payment of the tax has been paid. See TIR 16-10.

Also, if you are making a payment of $5,000 or more, you are required to submit your extension payment electronically. Failure to do so will result in a penalty. If you are making a payment of less than $5,000, you also have the option of filing your extension electronically. You do not need to file an extension if no payment is due. If there is a tax due with your extension, payment can be made through Electronic Funds Withdrawal.

Visit mass.gov/dor to file via the Web.

Form 1-NR/PY Extension Worksheet

1. *Enter amount from Form 1-NR/PY, line 41 . . . . . .*	
2. *Enter the total of Form 1-NR/PY, lines 42 through 44 and 47 through 51 . . . . . .*	
3. *Amount due. Subtract line 2 from line 1, not less than 0*	

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 extension. Form M-4868 is available at mass.gov/dor or by calling (617) 887-6367 or toll-free in Massachusetts (800) 392-6089.

Must I File on a Calendar Year Basis?

No. You may file on a fiscal year basis if you keep your books and records on that fiscal year basis and if you receive permission from the Commissioner of Revenue. If you file on a fiscal year basis, you must file on or before the fifteenth day of the fourth month after the end of your fiscal year. Taxpayers filing on a fiscal year basis must complete and file Form 13, Notice of Designation of Fiscal Year, available at mass.gov/dor or by calling (617) 887-6367 or toll-free in Massachusetts (800) 392-6089.

Fiscal Year Filers

Fiscal year filers should file using the tax form for the calendar year within which the fiscal year begins or the short year falls. If the short year spans more than one calendar year, the filer should file using the tax form for the calendar year in which the short year began. If the current form is not available at the time the short year filer must file, the filer should follow the rules explained in TIR 11-12.

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 DOR for the remaining amount of tax due plus accrued interest and penalty charges. If the amount of that bill is less than $10,000 and you still cannot pay it in full, you must apply formally to DOR for a small payment agreement in order to avoid collection activity. You can apply for a small payment agreement by visiting MassTaxConnect at mass.gov/masstaxconnect.

Note: Do not mail your request for a payment agreement with your tax return. Requests can be made once a bill is issued through DOR's MassTaxConnect application at mass.gov/dor or by calling DOR at (617) 887-6367 or toll-free in Massachusetts (800) 392-6089. Setting up a small payment agreement will allow you to make monthly payments within a set time period to satisfy your unpaid liability.

Name and Address

Print the full name, address, and Social Security number of each person filing the return in the spaces provided. Enter names as they appear on your federal return.

Social Security Number(s)

Be sure to enter your Social Security number on your return. Also, enter your Social Security number on pages 2 through 5 of Form 1-NR/PY and on

page 2 of Schedules B or C, if filed. Failure to show the correct Social Security number in the space provided will delay the processing of your return. If filing jointly, list your numbers in the order they appear on your federal return. Also, be sure your employer has listed the correct Social Security number on your Form W-2. If you are married, you must list your spouse's name and Social Security number even if you are filing a separate return, except as provided below. See line 1 instructions fro married filing a separate return.

To apply for an SSN, you must complete Form SS-5. Form SS-5 is available online at socialsecurity.gov, from your local Social Security Administration (SSA) office, or by calling the SSA at (800) 772-1213. It usually takes about two weeks to receive an SSN. If you are a nonresident or resident alien and you do not have and are not eligible for an SSN, you must apply for an ITIN. For details on how to do so, see Form W-7 and its instructions. Form W-7 is available online at irs.gov or by calling the IRS at (800) 829-1040. It usually takes about four to six weeks to receive an ITIN.

Note: You must wait until you receive an ITIN or SSN to file your Massachusetts return.

Filing an Amended Return

Note: When filing an Amended return, the **Amended return** oval must be filled in. For example, if you are filing an Amended return due to a Federal amendment, both the **Amended return** oval and the **Federal amendment** oval must be filled in.

Filing an 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. Your amended return must include all schedules filed with the original return even if there are no changes to the schedules**.** Mail your amended return to the same address used for original returns. Do not file Form ABT with your amended return. An amended return can be filed to either increase or decrease your tax. An amended return should also be filed to correct a credit amount (such as withholding) or to dispute a health care penalty. Generally, an amended return must be filed within three years of the date that your original return was filed. Visit mass.gov/dor/amend for more information about filing an amended return.

Federal Changes

If your amended return includes changes you have reported on an amended federal return filed with the IRS for the same tax year or if you are amending due to changes as a result of a federal audit, fill in the **Federal amendment** oval.

If your amended return 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 a rental deduction not claimed on the original return) fill in only the **Amended return** oval.

Other Jurisdiction Change

If your amended return includes changes resulting from another state or jurisdiction audit or change, fill in the **Other Jurisdiction change** oval and enter date of change in the space provided.

Amended Return Due to IRS BBA Partnership Audit

If your amended return includes changes made due to an IRS BBA Audit, fill in the **Amended return due to IRS BBA Partnership Audit** oval.

Applying For Relief Related To Massachusetts Conformity With The Provisions Of Federal Law P.L. 119-21: (***)

To claim relief from certain penalties and interest on late payments and underpayments for the **2025 tax year**, an **individual subjects to Massachusetts personal income tax** must include with their amended **2025** tax return, or their original **2025** tax return if filing on extension: **(***)**

- **Massachusetts Schedule M-2210** (Underpayment of Massachusetts Estimated Tax).

- **Massachusetts Schedule TDS** (Taxpayer Disclosure Statement), including:
  - The following statement: "Taxpayer is applying for relief related to Massachusetts conformity with the provisions of federal law P.L. 119-21" and clearly specify which IRC provision(s) are being adjusted. Relevant provisions include:
    - Domestic Research and Experimental Expense Deductions under **Code § 174** and **New Code § 174A;**
    - Special Depreciation Allowance for Qualified Production Property under **Code § 168(n);**
    - Increased Dollar Thresholds for Deductible Amounts when Expensing Certain Business Assets under **Code § 179;**
    - Modification of Limitation on Business Interest Expense Deduction under **Code § 163(j); and**
    - Changes to the Tax Treatment of Investments in Qualified Opportunity Zones under **Code § 1400Z-2.**
  - An explanation of how the adjustment was calculated, and how it is reflected in the attached **Schedule M-2210**.

No penalties or interest will be imposed on any underpayments, late payments, or underpaid estimated payments attributable to changes made by the Supplemental Budget, provided these conditions are met:

- The amended **2025** tax return or, in the case of a taxpayer filing on extension, the original **2025** tax return is filed in accordance with the Supplemental Budget, and
- The return is filed within **90 days** of the Supplemental Budget's enactment, and
- The return is otherwise timely filed and any tax due is timely paid.

For more up-to-date and detailed information concerning penalty and interest relief related to Massachusetts' conformity with the provisions of federal law P.L. 119-21, visit mass.gov/dor.

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 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 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.

Form 1-NR/PY Frequent Errors

Not entering the information below correctly may result in an item being adjusted or removed.

- **Name** – Enter your name as shown on your government-issued ID with the first, last and middle in the designated fields for each type.
- **Line 4c** – You must fill in the bubble for each spouse over 65 **and** enter a "1" or "2" in the Total box accordingly.
- **Line 5** – If you are a Massachusetts state, city, town, or county employee, you must report the State wages, tips etc. amount from box 16 of Form W-2.
- **Line 18** – Enter the total qualified rent paid in 2025 in the box, then divide by 2.

• **Line 42** – You must submit all documents that have Massachusetts withholding, including pass-through entity or K-1 withholding. You must also enclose Schedule 62-WH.

• **Lines 43 and 44** – Be sure to differentiate any overpayment from 2024 as a credit carry forward on line 43 and do not list it as 2025 estimated tax payment on line 44.

• **Line 48** – Schedule CB must be completed and submitted with your return.

• **Line 53** – Excess Paid Family Leave withholding (PFML) is not the amount shown on your Form W-2. You must use the worksheet for line 53 to see if you qualify and to calculate the excess amount. Each taxpayer would need to have multiple W-2's and to have paid PFML greater than $810.06 to qualify. Or, have paid on the gross amount of self-employment income, not the net.

• **Schedules B, C, D** – Entries should be positive values unless there is a box to mark to indicate a negative value.

• **Schedule HC** – You must complete and submit Schedule HC showing the subscriber number, member ID or group number from insurance card. Form 1095 is a federal form and cannot be used to report health care coverage in Massachusetts.

Voluntary Contribution to State Election Campaign Fund (part-year residents only)

You, and your spouse if filing jointly, may voluntarily contribute $1 each to the state Election Campaign Fund. The purpose of the fund is to provide limited public financing for campaigns of eligible candidates for statewide and elective office. This contribution will not change your tax or reduce your refund.

Veterans Benefits

Fill in the appropriate oval(s) for you, and/or your spouse if married filing a joint return, if you are a veteran who served in the Armed Forces of the United States in active service as part of Operation Enduring Freedom, Operation Iraqi Freedom, Operation Noble Eagle or Operation Sinai Peninsula and were discharged under honorable conditions and were domiciled for six months in Massachusetts immediately prior to entry into the Armed Forces. DOR will then forward the name and address to the Department of Veterans' Services and the adjutant general of the Massachusetts National Guard to verify eligibility for any benefits you may be entitled to.

Deceased Taxpayer

Be sure to fill in the appropriate oval if a taxpayer died during the taxable year. For further information, refer to the section How Do I File a Decedent's Return? in the instructions.

Under Age 18

If you are under age 18 as of January 1, 2026, be sure to fill in the oval(s).

Name Change

If you legally changed your name since the last time you filed a Massachusetts tax return, fill in the oval. Enclose a copy of your Social Security card or government-issued ID (i.e., driver's license, passport, etc.) showing your new name. Failure to include this documentation could delay processing of your return.

Noncustodial Parent

Fill in the oval if you are a noncustodial parent. A noncustodial parent is defined as a person who has a minor child, but does not live with the child.

Note: If you are the biological parent of a child, but your parental rights have been terminated, you are not the noncustodial parent of that child.

Custodial Parent

Fill in the **Custodial parent who has released claim to exemption for child(ren)** oval if you are claiming the head of household filing status and you have released your claim to one or more dependent exemptions on IRS Form 8332, or participated in a decree or agreement to allow the noncustodial parent to claim a dependency exemption.

Schedule TDS. Inconsistent Filing Position Penalty

Fill in the oval and enclose Schedule TDS, Taxpayer Disclosure Statement, if you are disclosing any inconsistent filing positions. Schedule TDS is available on our website at mass.gov/dor. The inconsistent filing position penalty (see TIR 06-5, section IV) applies to taxpayers that take an inconsistent position in reporting income. These taxpayers must "disclose the inconsistency" when filing their Massachusetts return. If such inconsistency is not disclosed, the taxpayer will be subject to a penalty equal to the amount of tax attributable to the inconsistency. This penalty is in addition to any other penalties that may apply.

A taxpayer is deemed to have taken an "inconsistent position" when the taxpayer pays less tax in Massachusetts based upon an interpretation of Massachusetts law that differs from the position taken by the taxpayer in another state where the taxpayer files a return and the governing law in that other state "is the same in all material respects" as the Massachusetts law. The Commissioner may waive or abate the penalty if the inconsistency or failure to disclose was attributable to reasonable cause and not willful neglect.

Schedule FCI. Foreign Corporation Income

Fill in the oval and enclose Schedule FCI (Foreign Corporation Income) if you are required to complete and file Schedule FCI with your return. All taxpayers with foreign corporation income (including Global Intangible Low-Taxed Income (GILTI)) must complete Schedule FCI. GILTI should be included in dividend income on Schedule B, Part 1, line 3. Detailed instructions for completing Schedule FCI are available on DOR's website. See Schedule FCI and Instructions.

Digital Assets

Fill in the oval if at any time during 2025 you received (as a reward, award, or payment for property or services) a digital asset, or sold, exchanged, otherwise disposed of a digital asset (or a financial interest in a digital asset) or you received a Form 1099-DA. Digital assets include non-fungible tokens (NFTs) and virtual currencies, such as cryptocurrencies and stablecoins.

Residency Status

Fill in the **Nonresident** oval if you were not a resident of Massachusetts and you received Massachusetts source income. See the section What is Massachusetts Source Income for Nonresidents? for an explanation of Massachusetts source income.

Fill in the **Part-year resident** oval if you were a resident of Massachusetts for less than the full year and you did not receive Massachusetts source income while a nonresident.

Fill in the **Filing both as a nonresident and part-year resident** oval if both categories apply to you in the same tax year. See the section Who Must File. You must also complete and enclose with your return Schedule R/NR, Resident/Nonresident Worksheet.

Nonresident Composite Return for Professional Athletic Team Members

Massachusetts allows professional athletic teams to file a composite return and make estimated tax payments as an agent on behalf of two or more qualified electing nonresident team members. Eligible members of a composite return must meet the following requirements:

• Must be nonresidents for the entire taxable year;

• Must elect to be included in the composite return by signing a statement;

• Must agree to be subject to Massachusetts tax jurisdiction; and

• Must waive the right to claim deductions, exemptions and credits allowable under MGL ch 62, §§ 3, 5 and 6. Taxpayers filing a nonresident composite return should enter 0 on Form 1-NR/PY, lines 20 (total deductions), 22 (exemption amount) and lines 33 to 35 (credits).

Each electing nonresident team member must sign under penalties of perjury a statement affir-

matively stating such team member's qualifications and election to file a composite return. The composite return is filed on Massachusetts Form 1-NR/PY along with the applicable schedules and attachments. The total Massachusetts gross income reported on the composite Form 1-NR/PY must be the sum of all the qualified electing nonresident members' Massachusetts source income.

Be sure to fill in the **Nonresident composite return** oval if this category applies to you.

Note: Lines without specific instructions are considered to be self-explanatory.

a. Total Federal Income

Enter your total federal income (from U.S. Form 1040, line 9). If married filing separately and living in the same household for the last six months of 2025, each spouse must combine their income figures from their separate U.S. returns when completing this section, unless you did not live with your spouse on 12/31/2025 and were legally separated under a written separation agreement or a decree of separate maintenance. Do not combine your income figures if you are a victim of domestic abuse and living apart from your spouse at the time you file your return. If you did not have a requirement to file a U.S. return, you must enter 0 in this section.

Note: Failure to enter this information will delay the processing of your return.

b. Federal Adjusted Gross Income

Enter your federal adjusted gross income (from U.S. Form 1040, line 11a or U.S. Form 1040-NR, line 11a). If married filing separately and living in the same household for the last six months of 2025, each spouse must combine their income figures from their separate U.S. returns when completing this section unless you did not live with your spouse on 12/31/2025 and were legally separated under a written separation agreement or a decree of separate maintenance. Do not combine your income figures if you are a victim of domestic abuse and living apart from your spouse at the time you file your return. If you did not have a requirement to file a U.S. return, you must enter 0 in this section.

Note: Failure to enter this information will delay the processing of your return.

Line 1. Filing Status

Note: More than one filing status may apply to you. If so, you may wish to figure your taxes based upon more than one filing status to see which status is to your benefit and select only one.

Fill in the **if not using same filing status on the federal return** oval if you and your spouse filed a joint federal return but are not filing a joint Massachusetts return. For tax years beginning on or after January 1, 2024, a consistent filing requirement exists which requires married couples to file a joint Massachusetts return in any year in which they file a joint federal return. If one of the spouses does not have a Massachusetts filing requirement because their Massachusetts gross income does not exceed $8,000, an exemption applies where they may choose the married filing separate return status. Generally, a joint Form 1 is not allowed unless both spouses were Massachusetts residents for the same portion of 2025. See TIR 24-4 and regulation 830 CMR 62.5A(11), Nonresident Income Tax, for additional information.

Single

Fill in the **Single** oval if you were single as of December 31, 2025. This status applies to you if, at the close of the taxable year, you fit into any of the following categories:

- You were unmarried;
- You were a widow or a widower whose spouse died before 2025; or
- You were legally separated under a final judgment of the probate court.

Note: You are not single if:

- You have obtained a judgment of divorce which has not yet become final;
- You have a temporary support order; or
- You and your spouse simply choose to live apart.

Married Filing Joint Return

Fill in the **Married filing joint return** oval if you were legally married as of December 31, 2025, and you elect to file a joint return. A joint return is allowed even if only one spouse had income. Both spouses are responsible for the accuracy of all information entered on a joint return, and both must sign. If your spouse died during 2025, you may still choose to file a joint return.

Note: A joint Form 1-NR/PY is generally not allowed unless each spouse is reporting income for the same resident or nonresident period. For example, John (a Massachusetts resident) and Jane (a New Hampshire resident) both work in Massachusetts. After they were married in June 2025, John moved to New Hampshire to live with Jane. They cannot file a joint return because their nonresident tax years are different. (Jane lived in New Hampshire during the entire year, but John only lived there for six months.)

Married Filing Separate Return

Fill in the **Married filing separate return** oval if you were legally married as of December 31, 2025, but you elect to file separately. Enter your spouse's name and Social Security number in the space provided.

If your spouse is a nonresident alien and does not have and is not required to have a Social Security number (SSN) or Individual Taxpayer Identification Number (ITIN), fill in the **NRA** oval.

Note: Only fill in the NRA oval if, on your U.S. 1040, you entered NRA in the space below the filing status checkboxes to indicate that your spouse is a nonresident alien who does not have and is not required to have a SSN or ITIN.

Head of Household

Fill in the **Head of household** oval if you qualify to file this status federally. This status is for unmarried people who paid over half the cost of keeping up a home for a qualifying person, such as a child who lived with you or your dependent parent. Be sure to include such qualifying person on Schedule DI, Dependent Information. Certain married people who lived apart from their spouse for the last six months of 2025 and who meet all of the other federal requirements may also be able to use this status. See IRS Publication 501, Exemptions, Standard Deduction, and Filing Information, for more information.

Lines 2 and 3. Part-Year Resident Proration Formula

Part-year residents must fill out the proration formula in lines 2 and 3. Enter the dates you were a Massachusetts resident in the spaces provided. Then, enter the total days you were a Massachusetts resident and divide this number by 365 and carry this division out to four decimal places. Failure to do so may delay the processing of your return. This figure is used to determine the portion of certain deductions, exemptions, and the earned income credit a part-year resident may be eligible to claim.

Whole Dollar Method Required

DOR requires that the whole dollar method be used for entries made on forms or schedules. For example, amounts between $1.00 and $1.49 should be entered as $1.00 and amounts between $1.50 and $2.00 should be entered as $2.00. However, calculations on worksheets used to reach amounts shown on the return may be made in either of the following ways:

- Round amounts before adding them up and enter the resulting total on the form; or
- Add amounts to the penny, and then round to the whole dollar for entry on the form.

Either method is acceptable as long as one method is used consistently throughout the return.

Line 4. Exemptions

Line 4a. Personal Exemptions

Each taxpayer is entitled to claim a personal exemption. The amount of your personal exemption depends on your filing status in line 1.

- If you are single or married filing a separate return, enter $4,400 in line 4a.
- If filing as head of household, enter $6,800 in line 4a.

• If married filing a joint return, enter $8,800 in line 4a.

Line 4b. Number of Dependents

You may claim a $1,000 exemption for each of your dependents if you claimed them on your U.S. return. Enter in the box in item b the number of dependents you listed on U.S. Form 1040 or U.S. Form 1040NR. Do not include yourself or your spouse. Then, multiply that total by $1,000 and enter the total amount in line 4b. Be sure to fill out Schedule DI, Dependent Information, if you are claiming a dependent exemption(s). Failure to do so will delay the processing of your return.

Line 4c. Age 65 or Over Before 2026

You are allowed an additional $700 exemption if you were age 65 or over before January 1, 2026. If your spouse was age 65 or over and you are filing a joint return, you may also claim a $700 exemption for your spouse. Fill in the appropriate oval(s) and enter the total number of persons age 65 or over in the small box. Multiply that total by $700 and enter the total in line 4c.

Note: Only one person (or married couple filing jointly) may claim the dependent exemption for any one child or other dependent.

Line 4d. Blindness Exemption

You are allowed an additional $2,200 exemption if you are legally blind. If your spouse is also legally blind and you are filing a joint return, you may also claim a $2,200 exemption for your spouse. Fill in the appropriate oval(s) and enter the total number of blindness exemptions in the small box. Then, multiply that total by $2,200 and enter the total amount in line 4d.

Legal Definition of Blindness

You are legally blind and qualify for the blindness exemption if your visual acuity with correction is 20/200 or less in the better eye, or if your peripheral field of vision has been contracted to a 10-degree radius or less, regardless of visual acuity.

Line 4e. Medical/Dental Expenses

You may claim an exemption for medical and dental expenses paid during 2025 only if you itemized these expenses on your U.S. Form 1040, Schedule A. If you are married filing a joint U.S. Form 1040, you must file a joint Massachusetts Form 1-NR/PY to claim this exemption. Enter in line 4e the amount reported on your U.S. Form 1040, Schedule A, line 4.

Line 4f. Adoption Agency Fee

If you paid adoption fees to a licensed adoption agency during 2025, you are eligible for an exemption of the total amount of the fees paid during the year. Fees paid during 2025 to an agency licensed to place children for adoption on account of the adoption process of a minor child regardless of whether an adoption actually took place during 2025 should also be included for this exemption. Enter this amount in line 4f.

Lines 5 through 11

◗ Income received by nonresidents is taxed only when it is from Massachusetts sources. Refer to the general instructions in this booklet for a definition of Massachusetts source income. The instructions for each of these lines will describe Massachusetts source income in more detail. For part-year residents, income received while a resident, whether from sources inside or outside of Massachusetts, is taxable.

◗ Your entries must agree with the appropriate amounts on your copies of Forms W-2 and 1099, and/or required schedules for lines 8 and 9. Nonresidents, if your actual Massachusetts source income is not known, see the Nonresident Apportionment Worksheet in line 13 and accompanying instructions.

5.0% Income

If filing as both a nonresident and part-year resident, you must complete Schedule R/NR, Resident/Nonresident Worksheet, before proceeding.

Line 5. Wages, Salaries, Tips and Other Employee Compensation

Note: Massachusetts does not adopt the federal deduction for tip income (IRC § 224) or the federal deduction for overtime pay (IRC § 225).

Report in line 5 total state wages from Form(s) W-2. Enter the amount(s) stated as Massachusetts wages.

Note: Part-year residents, income earned while a Massachusetts resident in another state is subject to taxation in Massachusetts.

In most cases your total wages will be the same amount reported on your U.S. 1040, line 1z or U.S. 1040-NR, line 1z unless:

• You or your spouse earned income from employment outside Massachusetts (nonresidents only);

• You were a Massachusetts resident working in a foreign country (part-year residents only);

• You were a resident of Massachusetts for only a part of 2025; or

• You were a state or local employee and made contributions to a Massachusetts state or local pension plan.

Differences Between Wages for Massachusetts Tax Purposes and Those Reported on Your U.S. Returns

Nonresidents earning a portion of income from employment outside Massachusetts. If a portion of the wage income reported on your U.S. return was earned outside Massachusetts, the amount in line 5 should not include wages earned in another state or country.

Massachusetts residents working in a foreign country while a Massachusetts resident. Income earned in a foreign country is subject to taxation in Massachusetts. If you excluded part or all of the compensation earned in a foreign country on your U.S. return (under § 911 of the IRC), you must include any such amount in line 5 for Massachusetts tax purposes.

Part-year residents of Massachusetts. If you earned only a portion of the income you reported on your U.S. return while you were a Massachusetts resident, subtract from your U.S. wages the amount earned and received while you were domiciled in another state or country.

State or local employees contributing to pension plans. If you are a Massachusetts state, city, town or county employee and contributed to your pension plan, enter in line 5 the Form W-2 state wage amount. This amount will be greater than the U.S. amount because your pension contributions are excluded from your income for U.S. tax purposes. Contributions up to $2,000 may be deducted in line 15a or 15b for Massachusetts tax purposes.

Medicaid waiver payments. To the extent included in Form 1-NR/PY, line 5, enter in Schedule Y, line 9a the amount of Medicaid waiver payments reported on U.S. Schedule 1, line 8s to be excluded from Massachusetts wages.

Line 6. Taxable Pensions and Annuities

Nonresidents. Under Title 4 of the USC § 114, payments to nonresidents from certain qualified pension plans are not subject to tax.

Qualified plans include:

• A qualified trust under IRC § 401(a) exempt from taxation under IRC § 501(a);

• Simplified IRC § 408(k) plans;

• IRC § 403(a) annuity plans;

• IRC § 403(b) annuity contracts;

• IRC § 7701(a) (37) individual retirement plans;

• Eligible deferred compensation plans of state and local governments and tax exempt organizations as defined by IRC 457;

• IRC § 414(d) government plans; a trust or trusts described in IRC § 501(c) (18); and

• Any plan, program or arrangement described in IRC § 3121(v)(2)(C) or any plan, program, or arrangement that is in writing, that provides for retirement payments in recognition of prior service to be made to a retired partner, and that is in effect immediately before retirement begins if payments are made at least annually and spread over the actuarial life expectancy of the beneficiaries, or if payments are spread over at least a ten year period.

Such income is also protected from state taxation if the plans are trusts under IRC § 401(a), but exceed limits laid down in IRC §§ 401(k), 401(m), 402(g), 403(b), 408(k) or 415 or any other limitation on contributions or benefits which may apply in the Code.

Retirement or retainer pay of a member or former member of a uniformed service computed under 10 USC ch 71 (military pensions) received by a nonresident is also exempt.

Any income from pensions related to a Massachusetts trade, business or employment that is not derived from one of the qualified pension plans listed above is taxable. Enter in line 6 the portion of those pensions reported on your U.S. Form 1040, line 5a, that are taxable to Massachusetts nonresidents.

Part-year residents. Income from most private pensions or annuity plans is taxable in Massachusetts. You must report the taxable pension income you received while a resident of Massachusetts. Certain government pensions, however, are exempt under Massachusetts law. In general, exempt pensions include contributory pensions from the U.S. government or the Commonwealth of Massachusetts and its political subdivisions, and noncontributory military pensions. The following section describes some specific pensions which are exempt. If your pension is not exempt, you should generally enter in line 6 the taxable amount reported on your U.S. Form 1040, line 5b. In some cases, however, Massachusetts law requires an adjustment to the federal amount. Distributions from annuity, stock bonus, pension, profit-sharing or deferred payment plans or contracts described in §§ 403(b) and 404 of the IRC must be adjusted to account for your contributions (including rollover contributions) that have been previously taxed. Subtract from such income (as reported on your U.S. Form 1040, line 5a) the amount of your contributions which were previously taxed by Massachusetts until the total of your taxed contributions is received. If your pension falls into this category, enter the adjusted amount in line 6 and explain briefly (in an enclosed statement) why this amount is different than the amount reported on your U.S. return. If you are receiving distributions from an IRA or Keogh plan, do not report the income here; instead, see the instructions for Schedule X, line 2.

What Pensions are Exempt?

• Pension income received from a contributory annuity, pension, endowment or retirement fund of the U.S. government or the Commonwealth of Massachusetts and its political subdivisions.

• Pension income from other states or their political subdivisions which do not tax such income from Massachusetts, or its political subdivisions must be reported in line 6. However, this income may be eligible for a deduction on Schedule Y line 13. Refer to the instructions for Schedule Y line 13 to determine eligibility for this deduction.

• Noncontributory pension income or survivorship benefits received from the U.S. uniformed services (Army, Navy, Marine Corps, Air Force, Coast Guard, commissioned corps of the Public Health Service and National Oceanic and Atmospheric Administration) is exempt from taxation in Massachusetts.

• Massachusetts state court judges who were appointed on or after January 2, 1975 are participants in the Massachusetts contributory retirement system and their pensions are nontaxable. State court judges who were appointed prior to January 2, 1975 receive taxable noncontributory pensions.

If you retired under MGL ch 32, §§ 56–60 and are a veteran who began Massachusetts state service prior to July 1, 1939, all or part of your pension income may be subject to tax. If you elected to receive your proceeds from contributions in one lump-sum distribution, your original contributions to the retirement system are not taxable. Noncontributory pension income received after a lump-sum distribution is fully taxable and should be reported in line 6.

How do I report lump-sum distributions?

If you were an employee of the U.S., Massachusetts or one of its political subdivisions and left public employment prior to retirement, you are not required to report as income the lump-sum distribution of your previously-taxed pension contributions.

Lump-sum distributions of qualified employee benefit plans in excess of the employee's contributions which were previously subject to Massachusetts tax (or not previously excluded from Massachusetts tax) must be reported in line 6. Generally, qualified rollovers are not taxable in Massachusetts to the extent they are not taxable on your U.S. return. Lump-sum distributions related to IRA/Keogh distributions should be reported on Schedule X, line 2.

Rollover from a traditional IRA to a Roth IRA (part-year residents only). Taxpayers are allowed to make partial or complete rollovers from existing IRAs to Roth IRAs. Any taxable portion of these rollovers included in federal gross income received while a resident of Massachusetts is also included in Massachusetts gross income, except for amounts previously subject to Massachusetts personal income tax. See Schedule X, line 2 instructions for further details.

Note: Massachusetts does not tax Social Security income, therefore, you should not report such income on Massachusetts Form 1-NR/PY.

Line 7. Interest from Massachusetts Banks

Nonresidents. Interest income is only taxable if it is related to a Massachusetts trade, business, profession, partnership or S corporation, or to the ownership of real estate or tangible personal property located in Massachusetts.

Part-year residents. While a resident of Massachusetts, interest received from any savings banks, cooperative banks, national banks, trust companies, savings and loan associations or credit unions located in Massachusetts is taxable.

Nonresidents and part-year residents, report in line 7 such interest taxable by Massachusetts.

To report interest taxable to a nonresident or part-year resident from banks located in Massachusetts, enter in line 7 amounts of interest received or credited to these deposit accounts (term and time deposits, including certificates of deposit, savings accounts, savings shares, and NOW accounts). Combine all accounts at the same bank. Enclose a statement listing names of all savings banks, cooperative banks, national banks, trust companies, savings and loan associations or credit unions in which you have deposit accounts.

Do not subtract interest forfeited or penalties charged to you for early savings withdrawal. You may be allowed to deduct these amounts on Schedule Y, line 2. All other interest, unless exempt, should be entered on Massachusetts Schedule B. The interest on an IRA/Keogh is not taxable until distributed.

Line 8a. Business/Profession Income or Loss

Enter in line 8a the amount of income or loss from a business or profession from Massachusetts Schedule C, line 37. You must enclose Massachusetts Schedule C with this return. U.S. Schedule C is no longer allowed as a substitute for the Massachusetts Schedule C.

Note: Following the Code Update, you may not deduct an excess business loss (EBL) for tax year 2025. For federal purposes, your EBL, if any, is determined using U.S. Form 461 and is added back to your income on U.S. Form 1040, Schedule 1,

line 8p. You must also add back EBL to Massachusetts income. To do so, use Massachusetts Schedule X, line 6. See instructions for that line for more information.

Line 8b. Farm Income or Loss

If you operate a farm as an individual or cooperative, enter in line 8b the amount of income or loss from operating a farm from U.S. Schedule F, Profit or Loss from Farming, line 34. Enclose a copy of U.S. Schedule F. Complete a pro-forma U.S. Schedule F to report Massachusetts differences, such as bonus depreciation.

Line 9. Rental, Royalty, REMIC, Partnership, S Corporation, Trust Income or Loss

Taxpayers with income or loss reported on a Schedule E must file his or her tax return using computer-generated forms produced by third-party software. The tax return may be generated by the taxpayer or by a tax professional. The taxpayer is encouraged, but not required, to submit the return electronically. Paper forms produced using the third-party software product will contain a two-dimensional (2D) bar code and will also be accepted. If the taxpayer hires an income tax preparer to complete the taxpayer's taxes, the preparer must follow the Commissioner's electronic filing rules. See TIRs 08-22 and 16-9 for more information.

If you do not have access to a software package when filing your 2025 income tax return, you may file your Schedule(s) E on paper. Visit our website at mass.gov/dor to download a paper copy of the 2025 Schedule(s) E, E-1, E-2, E-3 (and instructions) to file with your income tax return.

Line 10a. Unemployment Compensation

Nonresidents. Enter in line 10a the portion of your unemployment compensation reported in U.S. Form 1040, Schedule 1, line 7, related to previous Massachusetts employment. Only unemployment compensation related to previous Massachusetts employment is taxable to nonresidents. If you elected voluntary withholding of Massachusetts state income taxes on your unemployment compensation, be sure to include the amount of Massachusetts state income tax withheld as reported on Form 1099-G on Form 1-NR/PY, line 42b and enclose Form 1099-G.

Part-year residents. Enter in line 10a the portion of unemployment compensation reported in U.S. Form 1040, Schedule 1, line 7, received while you were a resident of Massachusetts, whether related to employment inside or outside of Massachusetts. If you elected voluntary withholding of Massachusetts state income taxes on your unemployment compensation, be sure to include the amount of Massachusetts state income tax withheld as reported on Form 1099-G on Form 1-NR/PY, line 42b and enclose Form 1099-G.

If filing as both a part-year resident and nonresident, refer to Schedule R/NR.

Line 10b. Massachusetts State Lottery Winnings

Enter in line 10b net winnings (total winnings minus cost of winning ticket(s)) from the Massachusetts state lottery. Do not enter less than 0. You may only deduct the price of your winning ticket. Lottery losses claimed as itemized deductions on U.S. Form 1040, Schedule A are not allowed on your Massachusetts return.

Line 11. Other Income (from Schedule X)

Taxable alimony received, taxable IRA/Keogh and Roth IRA Conversion Distributions, Other Gambling Winnings, Fees and Other 5.0% Income, PFML taxable distributions and Excess Business Loss Adjustment

"Other 5.0% income" includes the items listed above and must be included on Schedule X. Enter the total from Schedule X, line 7. Not less than 0. Be sure to enclose Schedule X with your return. Enclose an additional statement if more space is needed. Failure to enclose this schedule will delay the processing of your return. See Schedule X instructions.

Apportionment — Nonresidents Only

Sometimes your business or employment requires you to work both inside and outside Massachusetts, but you do not know the actual amount of income you earned from working in Massachusetts. In this case, you must apportion your income so that only the correct portion (the amount attributable to Massachusetts) will be taxed by Massachusetts. Some nonresidents must use the Nonresident Apportionment Worksheet in line 13 for this purpose.

Who Cannot Apportion Income?

If you know the actual amount of your Massachusetts source income, do not apportion. Report your income taxable in Massachusetts on your Massachusetts return.

Examples of nonresidents who cannot apportion include:

- An employee whose actual Massachusetts income is shown on Form W-2;
- An employee whose Form W-2 does not indicate initially his/her actual Massachusetts source income but whose employer issues a corrected Form W-2 or other statement which breaks down this amount. Since your employer is required by law to withhold Massachusetts tax on your Massachusetts wages, this breakdown will be easy to obtain; and
- A self-employed person whose actual Massachusetts source income is known, such as a surgeon who comes to Massachusetts to perform a specific operation for a set fee.

In the few cases when your employer fails to issue a separate Form W-2 that includes only Massachusetts earnings, you may use the Nonresident Apportionment Worksheet to adjust your earnings.

Who Must Use the Nonresident Apportionment Worksheet?

If your employment or business took you both inside and outside Massachusetts and you do not know the actual amount of income you earned in Massachusetts, or if you are a self-employed person or employee who is on an hourly, daily, weekly, monthly or mileage basis, or whose compensation depends upon sales, at least some of which take place outside of Massachusetts, you must use the Nonresident Apportionment Worksheet.

Note: If both you and your spouse both qualify to apportion your income or you have more than one job that is eligible for apportionment, you must complete a separate apportionment worksheet for the income that is eligible to be apportioned.

Who Can Apportion Income But Cannot Use the Nonresident Apportionment Worksheet?

If you do not know the actual amount of income you earned in Massachusetts from one business or employment, but you do not fit into any of the categories listed in the preceding section, you should not use the Nonresident Apportionment Worksheet. See the section on Special Apportionment Methods for your apportionment method.

Examples of nonresidents who must apportion income using one of these special methods include:

- An independent business or professional person whose income does not depend on sales, days or mileage;
- An entertainer or athlete whose income does not depend solely on receipts or winnings;
- A general or limited partner in a partnership; and
- A shareholder of an S corporation with Massachusetts source income.

Apportionment Methods

If you use the Nonresident Apportionment Worksheet, fill in the oval for the appropriate basis and then follow the instructions. If you have more than one business or employment requiring the use of the worksheet, complete and enclose one worksheet for each business or employment.

Working days basis. This basis should be used by employees or self-employed persons who qualify to use the Nonresident Apportionment Worksheet and who are compensated on an hourly, daily, weekly or monthly basis. The income of these taxpayers is to be allocated to Massachusetts in the

proportion that the amount of time spent working in Massachusetts bears to the total working time.

Mileage basis. An employee or self-employed person whose compensation depends on miles traveled is taxed on that portion of total compensation received in which the miles traveled within Massachusetts bear to total miles traveled.

Sales basis. For an employee or self-employed person whose compensation depends upon sales or commissions, taxable income includes that portion of total compensation received which the sales made inside Massachusetts bear to total sales. (For the purposes of making this allocation, all sales for which the taxpayer takes orders inside Massachusetts are attributable to this state, regardless of whether the formal acceptance of the contract of sale takes place inside or outside Massachusetts.)

Special Apportionment Methods

If you earned income both inside and outside Massachusetts from one business or employment, and your actual Massachusetts income is not known and you cannot use the Nonresident Apportionment Worksheet in line 13, use the following appropriate apportionment method.

Self-employed and professional persons. If you earned income from both inside and outside Massachusetts and your books do not accurately reflect your Massachusetts source income, you must apportion your Massachusetts income using the sales factor under the rules set out for corporations in TIR 24-4.

Entertainers and professional athletes. If you are a nonresident entertainer who performed in Massachusetts and you were not paid specifically for the performance in Massachusetts, or if you are a nonresident professional athlete who took part in performances, bouts, meets, matches or games that occurred in Massachusetts and you were not paid for the specific event played in Massachusetts, you must use the apportionment formula set forth in Massachusetts Regulation 830 CMR 62.5A.1.

Nonresident partners. If you are a nonresident general or limited partner, you are taxed on your distributive share of the income received by the partnership to the extent that the partnership income is Massachusetts source income, determined as if the partnership were a nonresident individual. If you are entitled to apportionment, the partnership will apportion its income and notify you of your share on a 3K-1.

Nonresident shareholders of an S corporation. If you are a nonresident shareholder in an S corporation, you are taxed on the distributive share of income received by the S corporation to the extent that the S corporation income is Massachusetts source income. If you qualify for apportionment, the S corporation will apportion its income and notify you of your share on an SK-1.

Line 13. Nonresident Apportionment Worksheet

Note: Do not use this worksheet if you know the exact amount of your Massachusetts source income. Use only when income from employment or business is earned both inside and outside Massachusetts and the exact Massachusetts amount is not known.

Line 13a

If your income is measured by working days, enter the number of days you worked outside Massachusetts.

Line 13b

Enter the number of days you worked inside Massachusetts. (If you spent a working day partly inside and partly outside Massachusetts, treat the day as having been spent a whole day inside the state.)

Line 13d

Enter your nonworking days. Your nonworking days are those days during the year (or during the period you worked, if your job lasted less than a year) that you were not required to work, such as Saturdays, Sundays, holidays, sick days, vacation and leave with or without pay. Complete the remainder of the Nonresident Apportionment Worksheet as indicated, and enter your Massachusetts income from line 13g in the appropriate line on Form 1-NR/PY. For example, if you are apportioning your wages, enter the amount from line 13g in line 5.

If you are using the mileage or sales basis, substitute mileage or sales for working days and complete all items in the worksheet, except line 13d. Indicate what basis you are using by filling in the appropriate oval, and enter your Massachusetts income from line 13g in the appropriate line on Form 1-NR/PY.

Nonresident Deduction and Exemption Ratio

Since nonresidents are only taxed on income from Massachusetts sources, the deductions and exemptions allowed to them are limited by the amount of this income. This happens in two ways. The deductions in line 15 and Schedule Y, lines 2, 4, 5, 7, 9 (certain amounts only; see instructions for Schedule Y, line 9), 13, 14 and 17 must be matched to specific items of income taxed on Form 1-NR/PY. Other deductions and all exemptions must be prorated by the ratio of a taxpayer's Massachusetts source income to his/her total income.

Line 14. Nonresident Deduction and Exemption Ratio

All nonresident taxpayers must complete lines 14a to 14g to arrive at this ratio. The ratio will be used to determine what amounts, if any, you may deduct in:

- Schedule Y, line 3, alimony paid deduction;
- Schedule Y, line 6, Archer medical savings account (MSA) deduction;
- Schedule Y, line 8, health care accounts deduction;
- Schedule Y, line 9c, charitable contribution deduction;
- Schedule Y, line 10, student loan interest deduction;
- Schedule Y, line 12, undergraduate student loan interest deduction;
- Schedule Y, line 15, commuter deduction;
- Schedule Y, line 18a, prepaid tuition or college savings program deduction; and
- Schedule Y, line 18b, student loan repayment assistance deduction.

Nonresidents should use the line 14g ratio to determine the amount of the deduction for attorney's fees and court costs involving certain unlawful discrimination suits (from Schedule Y, line 9) only if it is directly related to Massachusetts income as reported on Form 1-NR/PY, line 12. If it is not directly related to income reported on Form 1-NR/PY, you are not allowed any deduction.

If married filing jointly, include in each line the income for both spouses. Enter any loss as 0.

If filing as both a nonresident and a part-year resident, be sure to read the instructions for Schedule R/NR before completing line 14. Also, enter in line 14a only the portion of Massachusetts source 5.0% income earned as a nonresident.

Nonresidents should also use the line 14g ratio to prorate exemptions in line 22.

Note: If one or more composite returns are being filed on your behalf, you may not include amounts reported on any composite return in calculating your exemption and deduction ratios.

Line 14a

Enter in line 14a total 5.0% income from line 12.

Note: If filing as both a nonresident and part-year resident, enter the total of Schedule R/NR, Part 1, column D, lines 5 through 11.

Line 14c
Read the instructions for lines 24, 27 and 28. If these items apply to you, combine Schedule B, Part 1, line 7 and Part 2, line 13c (but not less than 0) and Schedule D, line 13 (but not less than 0), and enter the total in line 14c. To determine if you need to file Schedule B, refer to the Schedule B instructions in this booklet.

Note: If filing as both a nonresident and part-year resident, enter the total of Schedule R/NR, Part 1, column D, lines 24 (interest and dividends), 27 (certain capital gains from Schedule B) and Schedule D (long-term capital gains and losses, excluding collectibles).

Line 14e
Enter in line 14e the total income from non-Massachusetts sources you received during the tax year covered by this return. This is the additional income that would have been reported by you if you had been a Massachusetts resident that you received from non-Massachusetts sources. This amount is often not the same as the difference between your total U.S. income reported in line a and your Massachusetts source income reported in line 14d, due to the differences between Massachusetts and federal tax laws.

Note: Be certain not to include any amounts already reported in line 14d.

To reconcile the two amounts, the following types of income included in the U.S. total income (Form 1-NR/PY, line a), but not taxable in Massachusetts should be subtracted from the U.S. total before completing line 14e:

- Social Security and Tier I Railroad Retirement benefits;
- Pensions from contributory retirement plans of the U.S., or Massachusetts and its political subdivisions;
- Pension income from the U.S. military;
- U.S. bond interest;
- State tax refunds; and
- Keogh and 403(b) distributions related to contributions previously taxed by Massachusetts.

Income from the following categories which is not included in U.S. total income (Form 1-NR/PY, line a) must be added back to calculate the total income that would be reported as Massachusetts income had the taxpayer been a Massachusetts resident in line 14e:

- Bond interest from other states;
- Up to $130,000 in foreign-earned income;
- Contributions to a pension plan by Massachusetts state or local employees; and
- Net operating loss carryforward.

Note: If filing as both a nonresident and part-year resident, see instructions for Schedule R/NR, Part 1.

Line 14f
Add line 14d and line 14e. If your total income in line a exceeds the amount reported in line 14f by more than 10%, you should enclose a statement explaining the reasons for the difference.

Note: If filing as both a nonresident and part-year resident, enter Schedule R/NR, Part 1, column C total.

Line 14g
Divide line 14d by line 14f. Carry this division out to four decimal places. Failure to do so may delay the processing of your return. Enter the result in line 14g. This is your ratio for deductions and exemptions. It represents the relationship of your Massachusetts source income to your total income.

Deductions

Lines 15 through 19
Massachusetts allowable deductions differ from Itemized deductions on Schedule A of U.S. Form 1040. You may claim only the deductions specified on Massachusetts Form 1-NR/PY, lines 15 through 19 and Schedule Y.

Line 15. Amount Paid to Social Security and Medicare (FICA), Railroad, U.S., or Massachusetts Retirement Systems
Nonresidents. If, as a condition of Massachusetts business or employment, you have paid into any of the retirement systems listed above during 2025, you may deduct those contributions attributable to Massachusetts source income, up to a maximum of $2,000.

Part-year residents. You may deduct contributions attributable to business or employment while a Massachusetts resident, up to a maximum of $2,000.

Enter in lines 15a and 15b the amount you, and your spouse if filing jointly, paid to Social Security (FICA), Medicare or Railroad Retirement and the U.S. or Massachusetts Retirement Systems during 2025 as shown on your Form W-2 that is directly related to income taxable by Massachusetts included in line 12, but not more than $2,000 each. Payment amounts may not be combined or transferred from one spouse to the other. Be sure to add any amount of Medicare tax withheld as shown on Form W-2 and any amount of self-employment tax as reported on your U.S. Form 1040 to the amount of Social Security tax withheld, the total not to exceed $2,000 per person.

Note: Medicare premiums deducted from your Social Security or retirement payments are not deductible.

Payments to an IRA, Keogh, Simplified Employee Pension plan (SEP) or Savings Incentive Match Plan for Employees (SIMPLE) Account are not deductible for Massachusetts income tax purposes.

Line 18. Rental Deduction
Nonresidents are allowed a deduction equal to 50% of the rent they pay, up to a maximum of $4,000, for their principal residence only if it is located in Massachusetts and is their sole residence. (Non-Massachusetts rent is never deductible.) Many nonresidents rent a house or apartment in Massachusetts, but few qualify for this deduction. This is because the house or apartment rented here is not their principal residence. Only those nonresidents who rented a house or apartment in Massachusetts and have no family home or other dwelling to which they normally return (or to which they could return in the future) in any other state or country, can claim this deduction. Complete line 18 only if you filled in the oval below line 18. Enter the total amount of qualified rent paid by you during 2025 in line 18a. Divide line 18a by 2 and enter the result, or $4,000 ($2,000 if married filing a separate return), whichever is smaller, in line 18.

Part-year residents are entitled to the rental deduction equal to 50% for the rent they paid during 2025 (up to a maximum of $4,000 per return) for their principle residence while a resident of Massachusetts. Enter the total amount of qualified rent paid by you during 2025 in line 18a. Divide line 18a by 2 and enter the result, or $4,000 ($2,000 if married filing a separate return), whichever is smaller, in line 18.

Note: This deduction does not apply to your U.S. tax return.

What Qualifies for the Rental Deduction?
The deduction must be for rent you paid to a landlord for the rental or lease of your principal residence in Massachusetts. If two or more persons jointly rent a unit, each occupant using it as his/her principal residence is entitled to a deduction based on the amount of rent that each person paid. If the rent is paid by a third party (such as a parent) who maintains a principal residence elsewhere, no 50% rental deduction is allowed for either party. A principal residence does not include any residence for vacation, an apartment for a person on a temporary assignment or a student or faculty member who has a principal residence elsewhere. It also does not include any apartment or house in Massachusetts of a nonresident who has a residence in another state or country. Payment for occupying a hotel, motel or rooming house is not considered rent unless a rental agreement exists. Nor are payments by a tenant-stockholder of a cooperative housing corporation to the corporation and payments by an owner of a condominium unit

to the condominium association considered rent. All separately stated charges such as utilities, furnishings or parking cannot be included in rent for purposes of this deduction. Also, rent does not include any advance payments (such as security deposit, last month's rent, etc.) until actually applied as rent.

How Do I Calculate My Rental Deduction If I Am Married Filing Separately?

If married taxpayers file separate returns, they are each entitled to a rental deduction equal to 50% of the rent each pays, not to exceed $2,000 per return. However, a married couple filing separately may allocate the rent deduction differently, provided the amount taken by each spouse does not exceed 50% of the rent actually paid by that spouse, and provided their combined rental deductions do not exceed $4,000. If this results in one spouse claiming a deduction in excess of $2,000, that spouse must enclose with his/her return a statement signed by the other spouse indicating consent to the allocation. The statement must contain the name, address and Social Security number of the consenting spouse and the amount of rental deduction taken by that spouse.

Line 22. Exemption Amount

Enter amount from Exemption section, line 4, item g in line 22a.

Nonresidents. Prorate your exemptions using the ratio of your Massachusetts income to your total income by multiplying line 22a by line 14g and entering the result in line 22. This amount represents your prorated exemptions.

Part-year residents. Prorate your total exemptions claimed on Form 1-NR/PY by multiplying line 22a by line 3 and entering the result in line 22. This amount represents your prorated exemptions as a part-year resident.

Filing as both nonresident and part-year resident. Enter the amount from Schedule R/NR, line 22, column e in line 22.

Line 23. 5.0% Income After Exemptions

Subtract line 22 from line 21. Enter the result in line 23, but not less than 0.

If line 22 exceeds line 21 and you received interest income (other than interest from Massachusetts banks), dividends or capital gain income, complete the Schedule B, Line 36 and Schedule D, Line 20 Worksheet, if applicable. All others proceed to line 24.

Line 24. Interest and Dividend Income

If you have any interest income other than interest from deposits in banks located in Massachusetts, dividend income, certain capital gains or losses, or any adjustments to interest income (other than interest from Massachusetts banks), you must complete Schedule B. Be sure to enclose Massachusetts Schedule B. To determine if you need to file Schedule B, refer to the Schedule B instructions of this booklet.

Enter in line 24 the amount from Schedule B, line 38.

Tax on 5.0% Income

Line 26. 5.0% Tax (from Tax Table)

If line 25 is not more than $24,000, find the proper tax by using the tax tables found in the back of this booklet. If line 25 is greater than $24,000 multiply by 0.05 and enter the result in line 26.

Note: Personal income tax forms must provide an election to voluntarily pay tax at a rate of 5.85% on taxable income which would otherwise be taxed at a rate of 5.0%. The election to pay tax at the rate of 5.85% does not apply to items of income taxed at 8.5% (short-term capital gains and gains on collectibles). If choosing the optional 5.85% tax rate, multiply line 25 and Schedule D, line 21 by .0585 and fill in the oval.

8.5% and 12% Income & Tax

Line 27a. 8.5% Income from Certain Capital Gains

Enter in line 27a the amount from Schedule B, line 39. Multiply this amount by 0.085 (8.5%) and enter the tax in line 27a.

Line 27b. 12% Income from Certain Capital Gains

Enter in line 27b Capital Gains taxed at 12%. Multiply this amount by .12 (12%) and enter the tax in line 27b.

Be sure to enclose Massachusetts Schedule B. To determine if you need to file Schedule B, refer to the Schedule B instructions in this booklet.

Tax on Long-Term Capital Gain

Line 28. Schedule D (Long-Term Capital Gains and Losses Excluding Collectibles)

Enter in line 28 the amount from Schedule D, line 22, but not less than 0. To determine if you need to file Schedule D, refer to the Schedule D instructions of this booklet.

Schedule B, Line 36 and Schedule D, Line 20 Worksheet. Excess Exemptions from Interest and Dividend Income, 8.5% Income and Long-Term Capital Gain Income (Only if Single, Head of Household, or Married Filing Jointly)

If your total exemptions in Form 1-NR/PY, line 22 are more than the amount of your 5.0% income after deductions in Form 1-NR/PY, line 21, the excess may be applied against any interest and dividend income and income taxed at 8.5% and 12%. Any remaining excess amount may then be applied against any long-term capital gain income.

Complete this worksheet only if Form 1-NR/PY, line 21 is less than Form 1-NR/PY, line 22 and you received interest income (other than interest from Massachusetts banks), dividends or capital gain income to determine if you qualify for the excess exemption.

Enter all losses as 0.

1. *Enter amount from Schedule B, line 35. Not less than 0. . . . . .*

2. *Enter amount from Form 1-NR/PY, line 22 . . . . . .*

3. *Enter amount from Form 1-NR/PY, line 21 . . . . . .*

4. *Subtract line 3 from line 2. If 0 or less, you do not qualify for this exemption. Omit remainder of worksheet . . . . . .*

5. *Excess exemptions applied against interest and dividend income and 8.5% or 12% income. If line 1 is larger than line 4, enter line 4 here and in Schedule B, line 36. If line 4 is equal to or larger than line 1, enter line 1 here and in Schedule B, line 36. Complete lines 6 through 8 . . . . . .*

6. *Subtract line 5 from line 4. If 0, omit remainder of worksheet . . . . . .*

7. *Enter Schedule D, line 19. Not less than 0 . . . . . .*

8. *Excess exemptions applied against long-term capital gain income. If line 7 is larger than line 6, enter line 6 here and in Schedule D, line 20. If line 6 is equal to or larger than line 7, enter line 7 here and in Schedule D, line 20 . .*

Excess Exemptions

If excess exemptions were used in calculating lines 24, 27 or 28 (see Schedule B, line 36 and/or Schedule D, line 20), be sure to fill in the oval in line 28.

Line 29. Credit Recapture Amount

If any Brownfields Credit (BC), Economic Opportunity Area Credit (EOA), Low-Income Housing Credit (LIH), Historic Rehabilitation Credit (HR) or Farming and Fisheries (FAF) property is disposed of or ceases to be in qualified use prior to the end of its useful life, the difference between the credit taken and the total credit allowed for actual use must be added back to your tax on Form 1-NR/PY. Complete and enclose Schedule CRS, Credit Recapture Schedule.

Line 30. Additional Tax on Installment Sale

An addition to tax applies for taxpayers who have deferred the gain, and the tax associated with that gain, on certain installment sales. This addition to tax is measured by an interest charge on the tax that has been deferred.

Include in line 30 an additional tax amount representing an interest charge on the deferred tax on gain from certain installment sales with a sales price over $150,000 if you are not a dealer and the aggregate face amount of installment obligations arising during the tax year and outstanding as of the close of the tax year exceeds $5 million. For more information see MGL ch 62C, § 32A (a) and IRC § 453A (a)–(c).

Also include in the total on line 30 an additional tax amount representing an interest charge on the deferred gain from the installment sale of timeshares and residential lots, if the sale meets one of the following criteria:

- The sale is of a timeshare right for six weeks or less;
- The sale is for the recreational use of specified campgrounds;
- The sale is for a residential lot and neither the dealer nor someone related to the dealer is obligated to make any improvements on the lot.

Note: If you have installment sales occurring between January 1, 1996 and December 31, 2002, you must complete and submit Schedule D-IS. For more information see MGL ch 62C § 32A (b) and IRC § 453(l)(2)(B).

If you are a partner in a partnership or a shareholder in an S corporation, the entity is required to send you the information you need to calculate the addition to tax under this provision.

To the extent practicable, Massachusetts follows federal income tax rules in determining the deferred gain from installment sales subject to the interest-charge addition to tax. For more information visit DOR's website at mass.gov/dor and Internal Revenue Service Publication 537.

Massachusetts AGI

No Tax Status — Single, Married Filing a Joint Return or Head of Household Only

If your Massachusetts Adjusted Gross Income (Massachusetts AGI) was $8,000 or less if single, $14,400 or less plus $1,000 per dependent if head of household, or $16,400 or less plus $1,000 per dependent if married filing a joint return, you may qualify for No Tax Status and are not required to pay any Massachusetts income taxes.

To see if you may qualify for No Tax Status, complete Schedule NTS-L-NR/PY. See Schedule NTS-L-NR/PY instructions.

Massachusetts Adjusted Gross Income for No Tax Status and Limited Income Credit

Massachusetts Adjusted Gross Income (Massachusetts AGI) is not the same as taxable income. Massachusetts AGI includes the following sources of income from inside and outside of Massachusetts:

- Wages, salaries, tips;
- Taxable pensions and annuities;
- Pension income from another state or political subdivision before any deduction;
- Taxable IRA/Keogh and Roth IRA distributions;
- Fees and unemployment compensation;
- Income or loss from a business or profession;
- Income or loss from partnerships, S corporations and trusts;
- Rents, royalties and REMIC income;
- Taxable alimony received and other 5.0% income;
- Interest from Massachusetts banks; and
- Other interest, dividends, and capital gains.

Line 31. No Tax Status

If you qualify for No Tax Status, fill in the oval in line 31, enter 0 in line 32 and omit lines 33 through 35. Be sure to enclose Schedule NTS-L-NR/PY with your return. Also, enter 0 in line 36 and complete Form 1-NR/PY. However, if there is an amount entered in line 29, Credit Recapture Amount and/or line 30, Additional Tax on Installment Sale, enter that amount in line 32 and complete lines 34 and 35.

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

Line 32. Total Tax

Line 32a. Income Tax

Add lines 26-30, enter the total in line 32a.

Line 32b. 4% Surtax

Enter in line 32b the amount from line 7 from the Schedule 4% Surtax.

The 4% surtax applies to Massachusetts residents on the portion of their annual taxable income exceeding $1,083,150 and to nonresidents on the portion of their annual taxable income sourced to Massachusetts that exceeds $1,083,150.

Line 32c. Composite Tax Paid on Your Behalf

Note: You must submit all documents that have Massachusetts withholding, including pass-through entity or K-1 withholding, you must also include Schedule 62-WH.

Nonresidents subject to the 4% surtax that have elected to participate in composite returns are able to reduce their state income tax calculated by the amount of income tax paid on their behalf by pass-through entities as part of composite returns. An eligible qualified nonresident:

- Has taxable income sourced to Massachusetts over $1,083,150 and is subject to the additional 4% surtax, and
- Has elected to participate in a composite return, and
- Had income tax paid on their behalf by pass-through entities as part of composite returns.

Nonresidents that do not meet the above criteria are not eligible and should not include any amount on line 32c. Eligible nonresidents should determine their share of any income tax reported and paid on a composite filing and include it on Form 1-NR/PY, line 32c. A statement listing the name, ID and amounts for all composite returns should be attached.

Each entity filing a composite return, Form MA NRCR, should report the participating member's share of composite tax paid on their behalf on line 39 of Schedule 3K-1 and/or line 29 of Schedule SK-1. Eligible nonresidents enter the sum of such income tax amounts on Form 1-NR/PY, line 32c. The credit on Form 1-NR/PY, line 32c, cannot exceed the amount of tax reported and paid on your behalf on Form MA NRCR. No other payments or credits made on the composite return are claimed by the individual members.

Line 32. Total Tax

Subtract line 32c from the total of lines 32a and 32b and enter the result in line 32.

Line 33. Limited Income Credit — Single, Married Filing a Joint Return or Head of Household Only

If you do not qualify for No Tax Status, but you are single and your Massachusetts AGI is between $8,000 and $14,000, or if you are filing as head of household and your Massachusetts AGI is between $14,400 and $25,200 plus $1,750 per dependent, or if you are married filing a joint return and your Massachusetts AGI is between $16,400 and $28,700 plus $1,750 per dependent, you may

qualify for the Limited Income Credit. This credit is an alternative tax calculation that can result in a significant tax reduction for people whose income is close to the No Tax Status threshold. Be sure to complete Schedule NTS-L-NR/PY to see if you may qualify for this credit. If you qualify for this credit be sure to enclose Schedule NTS-L-NR/PY with your return.

Line 34. Taxes Due Any Other State (part-year residents only)

If any of the income earned while a part-year resident and reported on this return is subject to taxation in another state or jurisdiction and you have filed a return and paid taxes in the other state or jurisdiction, complete the following worksheet and enter the amount of credit in line 34. The credit is not available for taxes paid to another state or jurisdiction on Massachusetts source income earned while a nonresident. Do not include taxes paid to the U.S. government. (This credit does not apply to city or local taxes.) You are allowed to claim a credit for taxes due to the following jurisdictions:

- Other states in the U.S., including payments made under the Rhode Island Temporary Disability Insurance Act (see DOR Directive (DD) 12-1) and payments related to pass-through entity taxes (see DD 19-1);
- Any territory or dependency of the U.S. (including Puerto Rico, the Virgin Islands, Guam, the District of Columbia); or
- The Dominion of Canada or any of its provinces (less any U.S. credit amount allowable from U.S. Form 1116).

The total credit that you calculate on the worksheet 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 Schedule D. Credit is also not given for any interest and penalties paid on a tax due to another jurisdiction.

Note: For questions on the Pass-through Entity Tax credit and its effect on this credit, refer to DOR Directive 19-1.

For part-year residents that are subject to the 4% surtax and that paid tax in another jurisdiction, complete the online Schedule OJC worksheet(s).

You must complete separate worksheets if you had 5.0% income and interest income (other than interest from Massachusetts banks), dividends or capital gain income taxed by another jurisdiction. If you use this worksheet 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 5.0% income in line 1 of the worksheet. You must also substitute Schedule B, line 7 (interest and dividend income) and Schedule B, line 13c (taxable 8.5% and 12% capital gains) or Schedule D, line 13, (gross long-term capital gains and losses), but not less than 0, for Form 1-NR/PY, line 12 in line 2 of the worksheet, and the total of Form 1-NR/PY, line 24 multiplied by 0.05 (tax on interest and dividend income) and Form 1-NR/PY, line 27 (8.5% and 12% tax) or line 28 (tax on long-term capital gains) for Form 1-NR/PY, line 23 in line 4 of the worksheet.

If completing multiple worksheets, the amount calculated as an Other Jurisdiction credit on each worksheet should be combined for the total allowable Other Jurisdiction credit. Online worksheets are available at mass.gov/dor.

- When using the worksheet 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.
- If you choose to pay the optional 5.85% tax rate, substitute 0.0585 for 0.05 in line 4 of the worksheet.

Note: Be sure to complete and enclose Schedule OJC, Income Tax Due to Other Jurisdictions, and enter the two-letter state or jurisdictional postal code for each state or jurisdiction for which you are taking the credit. Taxpayers from a territory or dependency of the U.S., or the Dominion of Canada or any of its provinces, must enter "FC" as the postal code.

Form 1-NR/PY, Line 34 Worksheet Taxes Due Any Other State

Note: *Part-year residents only. Do not include Massachusetts source income earned while a nonresident.*

1. Enter the total 5.0% income included in Form 1-NR/PY, line 12 on which you paid taxes to another jurisdiction . . . . . . ☐

2. *Enter the total of Form 1-NR/PY, line 12. . . . .* ☐

3. *Divide line 1 by line 2. Not greater than "1" . . . . . .* ☐

4. *Multiply Form 1-NR/PY, line 23 by 0.05 . . . . . .* ☐

5. *Enter any Limited Income Credit from Form 1-NR/PY, line 33 . . . . . .* ☐

6. *Subtract line 5 from line 4* ☐

7. *Multiply line 6 by line 3. . .* ☐

8. *Enter the amount of tax due to another jurisdiction on income also reported on this return before credits and payments. This includes payments made under the Rhode Island Temporary Disability Insurance Act, if applicable. If you are claiming a credit for tax due to Canada or a Province of Canada, the amount reported on this line must be reduced by the amount claimed as a foreign tax credit on U.S. Form 1040, Schedule 3, line 1 . . . . . .* ☐

9. *Enter the smaller of lines 7 or 8 here and on Form 1-NR/PY, line 34 . . . . .* ☐

Line 35. Other Credits (from Schedule CMS)

Enter the total from Schedule CMS, Credit Manager Schedule. Be sure to enclose Schedule CMS with your return. Failure to do so will delay the processing of your return or result in the credit being adjusted or disallowed.

Line 37. Voluntary Contributions

You may contribute any amount to the following funds. Remember, these amounts are added to your tax. They increase the amount of your payment or reduce the amount of your refund.

a. Endangered Wildlife Conservation. The Natural Heritage and Endangered Species Fund is administered by the Division of Fisheries and Wildlife. Contributions are used to protect and restore rare and endangered wildlife and plants, and their habitats. This fund has helped restore and conserve in the Commonwealth populations of the Bald Eagle, Hessel's Hairstreak Butterfly, the Redbelly Turtle and the Plymouth Gentian.

b. Organ Transplant Fund. The Organ Transplant Fund is administered by the Massachusetts Department of Public Health. All contributions received by the Fund assist patients with the costs of medications without which they might lose their transplanted organs. For information on how to become an organ donor, visit the Registry of Motor Vehicle's website at mass.gov/rmv.

c. Massachusetts Public Health HIV and Hepatitis Fund. The Massachusetts Public Health HIV and Hepatitis Fund is administered by the Massachusetts Department of Public Health. Contributions are used for research, experimental treatment and education related to Acquired Immune Deficiency Syndrome (AIDS). Massachusetts residents living with AIDS receive experimental treatment through clinical trials which are wholly supported with this Fund. The Fund also educates people with AIDS about treatment options and how to gain access to medication and experimental treatment.

d. Massachusetts United States Olympic Fund. Contributions to this fund are used to assist Massachusetts residents in paying all or part of any costs associated with the development, maintenance and operation of the United States Olympic Team participating in the Olympics and the United States Paralympic Team participating in the Paralympics.

e. Massachusetts Military Family Relief Fund. The Massachusetts Military Family Relief Fund Is administered by the Friends of Massachusetts National Guard and Reserve Families. Contributions to this fund are used to help members of the Massachusetts National Guard and Massachusetts residents who are members of the reserves of the armed forces of the United States and who have been called to active duty after the September 11, 2001 terrorist attacks, and their families, to defray the costs of food, housing, utilities, medical services, and other expenses.

f. Homeless Animal Prevention and Care Fund. The Homeless Animal Prevention and Care Fund is administered by the Department of Agricultural Resources. Contributions will help animals by reducing the number of homeless cats and dogs by spaying, neutering and vaccinating animals in shelters and animal control facilities and assisting families who would not otherwise be able to afford these services for their pets. The Fund also provides training to municipal animal control officers so that they can safely and effectively protect animals and people in their communities.

Line 38. Massachusetts Use Tax Due On Internet, Mail Order and Other Out-of-State Purchases Made in 2025 (part-year residents only)

If, while a Massachusetts resident, you purchased taxable tangible personal property out of state, over the Internet or from a catalog and did not pay Massachusetts sales tax at purchase, a Massachusetts use tax is due. If an item is exempt from sales tax (such as food, or clothing that costs $175 or less), it would be exempt from use tax.

If you paid a sales or use tax to another state or territory of the United States when purchasing this item, you are generally entitled to a credit against the Massachusetts use tax, up to 6.25%. See TIR 03-1 for more information. No credit is allowed for a value-added tax (VAT) paid to another country.

The following are some items that are often purchased without paying sales tax. Residents would then owe use tax based on the purchase price.

- Electronics
- Appliances
- Furniture
- Jewelry
- Books
- Artwork
- Software
- Computers
- CDs and DVDs
- Video games
- Carpet
- Antiques

Example 1

You purchased several DVDs on the Internet for $100 and paid no sales tax. Your use tax liability to Massachusetts on these items is $6.25 ($100 x .0625 = $6.25).

Example 2

You purchased a computer for $1,550 from a seller located outside of Massachusetts and paid no sales tax. Your use tax liability to Massachusetts on this item is $96.88 ($1,550 x .0625 = $96.88).

Example 3

On a trip to Maine in November you purchased an antique desk for $4,000 and paid Maine sales tax at the rate of 5.5%. The difference, $30 (.75% of the purchase price), is due Massachusetts as use tax.

Taxpayers may choose the safe-harbor option for purchases of individual items each having a total sales price of less than $1,000. The safe-harbor provision makes it easier to comply with the use tax law by allowing taxpayers to self-report an estimated amount of use tax based on the average amount of online and/or out of state purchases a taxpayer in their income bracket would likely make during the year. Taxpayers do not need to keep receipts with safe-harbor reporting and will not be assessed additional use tax if audited, even if the actual amount of use tax due is greater than the safe-harbor amount reported.

*Mass AGI per return**	*Use tax liability*
$ 0 – $ 25,000	*$ 0*
25,001 – 40,000	*20*
40,001 – 60,000	*31*
60,001 – 80,000	*44*
80,001 – 100,000	*56*

If the Massachusetts AGI per return* is more than $100,000, multiply by .000625.

*From line 10 of Schedule NTS-L-NR/PY.

If you did not purchase any items with a total sales price of $1,000 or more, you may enter the "safe harbor" amount from the table above directly on Form 1-NR/PY, line 38.

Complete the Form 1-NR/PY, line 38 Worksheet below to calculate your use tax if you are not reporting a safe-harbor amount or if you purchased any individual items with a sales price of $1,000 or more. If you did purchase items with a sales price over $1,000 and you are reporting a safe-harbor amount, add the amount from the worksheet line 4 to the safe-harbor amount.

Form 1-NR/PY, Line 38 Worksheet. Use Tax Due on Internet, Mail Order and Other Out-of-State Purchases (Part-Year Residents Only)

1. *Total of purchases in 2025, made while a Massachusetts resident, subject to Massachusetts use tax . . . . . .* ☐

2. *Use tax. Multiply line 1 by .0625 (6.25%) . . . . . .* ☐

3. *Credit for sales/use tax paid to other states or jurisdictions. Add the amount of any sales/use tax paid to another state or jurisdiction, made while a Massachusetts resident, 6.25% of the sales price, whichever is less, on each purchase reported in line 1 . . . . . .* ☐

4. *Total amount due. Subtract line 3 from line 2. Not less than 0. Enter here and on Form 1-NR/PY, line 38 . . . . .* ☐

Line 39. Health Care Penalty (part-year residents only)

If you are subject to the Health Care Penalty for 2025 and are not appealing the application of the penalty, enter the penalty amount from line 8 of the Health Care Penalty Worksheet in line 39a for you and/or line 39b for your spouse.

If married filing a joint return and both you and your spouse are subject to the penalty, separate Health Care Penalty Worksheets must be filled out to calculate the separate penalty amounts for you and your spouse, using your married filing jointly income.

A taxpayer who does not have health insurance that meets the Massachusetts standard of minimum creditable coverage may be subject to a Massachusetts penalty.

Enter the total of lines 39a and 39b in line 39, but not less than 0.

Be sure to enclose Schedule HC with your return. Failure to do so will delay the processing of your return.

Line 40. Overpayment from Original Return (amended return only)

Include the amount listed on line 56 of your original return.

Line 42a. Massachusetts Income Tax Withheld from Form(s) W-2

Add the amounts shown as Massachusetts income tax withheld on your Form(s) W-2. Enter the total on line 42a. The amount withheld should be shown in box 17 of Form W-2. Enclose your Form(s) W-2 with your return.

Line 42b. Massachusetts Income Tax Withheld from Form(s) 1099

Include on line 42b any Massachusetts income tax withheld from line 5 of Schedule 62-WH, Part 1, withholding from Form(s) 1099, Form(s) LOA, or Form(s) PWH-WA.

Enclose Schedule 62-WH, Form(s) 1099, Form(s) LOA, and Form(s) PWH-WA with your return if Massachusetts income tax was withheld, failure to do so may delay the processing of your return.

If you received a Form 1099 showing Massachusetts income tax withheld on retirement income, dividends, taxable or tax-exempt interest income, unemployment compensation, or other income you received, include the amount withheld in the total on line 42b.

Withholding from Form(s) PWH-WA should also be included on line 42b.

Line 42c. Massachusetts Income Tax Withheld from Other Forms

Include on line 42c any Massachusetts income tax withheld from line 5 of Schedule 62-WH, Part 2: Withholding from Form(s) W-2G, 2G, or Massachusetts K-1 Schedule(s) (2K-1, 3K-1, or SK-1). Enclose Schedule 62-WH, W-2G, 2G, or Massachusetts Schedule K-1s with your return if Massachusetts income tax was withheld, failure to do so may delay the processing of your return.

Line 43. 2024 Overpayment Applied to Your 2025 Estimated Tax

Include the exact amount of any 2024 overpayment you applied to your 2025 estimated taxes. This amount can be found on your 2024 Massachusetts Form 1-NR/PY, line 56 or Form 1, line 52. Do not include any 2024 refund in this line.

Line 44. 2025 Massachusetts Estimated Tax Payments

If you paid Massachusetts estimated income taxes for 2025, enter in line 44 the total of all Massachusetts estimated tax payments, but do not include the amount entered in line 43. Be sure to include any last quarter (of 2025) payment made on or before January 15, 2026.

Every taxpayer (whether a resident or nonresident) who expects to pay more than $400 in Massachusetts income taxes on income which is not covered by Massachusetts withholding must pay Massachusetts estimated taxes. Estimated tax payments can be made online by using MassTaxConnect by visiting mass.gov/dor or by filing Form 1-ES.

Income which is not subject to withholding includes:

- Salaries or wages earned in Massachusett- where the employer is not subject to Massachusetts withholding;
- Unemployment compensation (if you did not elect voluntary Massachusetts withholding);
- Taxable REMIC income;
- Dividends and interest, including interest from Massachusetts banks;
- Gains from capital assets;
- Income from an individual trade, business or profession;
- Income from any estate or trust not taxed directly;
- Lottery or gambling winnings;
- Certain pensions;
- Taxable Keogh or IRA distributions (only if you elected not to have federal withholding);
- Rental income and royalty income;
- Taxable alimony received (part-year residents only);
- Distributions from SIMPLE accounts;
- Illegal income; and
- Any other income received taxable in Massachusetts from which Massachusetts tax will not be withheld.

Generally, the first payment 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 current taxable year and January 15 of the following year.

You may verify estimated tax payments that have already been made through your MassTaxConnect account. If you don't have a MassTaxConnect account, you can sign up at mass.gov/masstaxconnect.

You may request your employer to withhold additional amounts from your salary on Form M-4, Massachusetts Employee's Withholding Exemption Certificate, to cover the taxes on other income so that you do not have to file and pay estimated taxes.

If 80% of the tax is not paid throughout the year through withholding and/or estimated payments, a penalty may be imposed.

Line 45. Payments Made with Extension

If you filed an Application for Automatic Six-Month Extension of Time to File Massachusetts Income Tax Return, Massachusetts Form M-4868, for 2025 on or before April 15, 2026, enter in line 45 the amount you paid with Form M-4868.

Line 46. Payment with Original Return (amended return only)

Use this line only if you are amending the original return. Enter in line 46 the amount of tax you paid with the original return from line 59, "Tax Due." If estimated tax payments were made on the original return, they should be reflected on line 44, as on the original return. Select the appropriate amended return oval on page 1. Complete the entire return, correct the appropriate line(s) with the new information and recompute the tax liability. Complete the entire return, correct the appropriate line(s) with the new information and recompute the tax liability. On an enclosed sheet, explain the reason for the amendment(s) and identify the line(s) and amount(s) being changed on the amended return. Mail the amended return to Massachusetts Department of Revenue, PO Box 7000, Boston, MA 02204. If you owe additional tax, mail the amended return to Massachusetts Department of Revenue, PO Box 7003, Boston, MA 02204.

Line 47. Earned Income Credit (part-year residents only)

The Earned Income Credit (EIC) is a tax credit for certain taxpayers who work and/or have earned income under $68,675 (maximum amount may be lower depending on filing status and number of eligible children). In general, the Massachusetts earned income credit is equal to 40% of the federal earned income credit, with the amount adjusted downward in some cases if the taxpayer is a part-year resident. If the credit due the taxpayer exceeds the amount of the total income tax payable for the year by the taxpayer, the excess amount of the credit will be refunded to the taxpayer without interest. Earned income includes all the taxable income and wages you get from working; earned income is obtained by working for someone who pays you, or from working in a business that you own or run. In order to qualify for the Massachusetts earned income credit, a part-year resident must have earned income. You must enter the number of qualifying children, if any, in line 47a. Then, enter in line 47b the federal earned income credit amount from your U.S. Form 1040, line 27a. Multiply this amount by 0.40 (40%) and enter the result in the line provided. Part-year residents, and taxpayers filing as both a nonresident and part-year resident, multiply this amount by line 3. Enter the result in line 47.

If you choose to have the IRS compute your federal earned income credit, wait until the IRS notifies you of that amount before making an entry in line 47. If you have not received your earned income credit amount as computed by the IRS by April 15, 2026, you may file Massachusetts Form M-4868, Application for Automatic Six-Month Extension of Time to File Massachusetts Income Tax Return. See the Form 1-NR/PY Extension Work-

sheet for information about filing your extension via the Web. For more information about the federal earned income tax credit, see IRS Publication 596, available at irs.gov. Be sure to fill out Schedule DI, Dependent Information, if you are claiming this credit for one or more qualifying children/dependents. Failure to do so will delay the processing of your return.

Note: If you are considered married for federal and Massachusetts income tax purposes, you generally must file a joint return with your spouse to claim the EIC. However, recent federal legislation has expanded this beginning with tax year 2022. Massachusetts adopts the expansion of the federal EIC in calculating the Massachusetts EIC. In addition, even if you don't qualify under the newly expanded rules, if you are a victim of domestic abuse you may file a return as married filing separately and still claim the EIC in Massachusetts if the following apply to you:

- You are living apart from your spouse at the time you file your tax return; and
- You are unable to file a joint return because you are a victim of domestic abuse.

If you have a filing status of married filing separately and you claim the EIC under the Massachusetts exception, you should keep records demonstrating the existence of domestic abuse. What constitutes adequate records will vary depending upon your circumstances. Some examples of documents that may meet this record-keeping requirement include (do not enclose these records with your tax return):

- Protective and/or restraining order;
- Police report;
- Doctor's report or letter;
- A statement from someone who was aware of, or who witnessed, the abuse or the results of the abuse. The statement should be notarized if possible; or
- A sworn statement from you attesting to the abuse.

To claim this exception, you must fill in the oval on line 47.

To determine if you qualify for the Credit with a filing status exception as a victim of domestic abuse, you should complete the IRS Earned Income Credit (EIC) worksheet.

Note: You should answer No to question 4 of the EIC worksheet and when looking up the amount of the credit in the EIC Table you should use the column for the filing status "single" and the number of children you have.

To determine line 47, "Amount from U.S. return":

- U.S. Form 1040, EIC Worksheet A filers should use the amount from Worksheet A, line 6.
- U.S. Form 1040, EIC Worksheet B filers should use the amount from Worksheet B, line 11.

See TIR 17-10 for more information.

Line 48. Senior Circuit Breaker Credit (part-year residents only)

Certain senior citizens in Massachusetts may be eligible to claim a refundable credit on their state income taxes for the real estate taxes paid on the Massachusetts residential property they own or rent and which they occupy as their principal residence. The maximum credit allowed is $2,820 for the tax year beginning January 1, 2025. If the credit due the taxpayer exceeds the amount of the total income tax payable for the year by the taxpayer, the excess amount of the credit will be refunded to the taxpayer without interest. To determine if you qualify for this credit, refer to Schedule CB, Senior Circuit Breaker Credit and instructions. Schedule CB is available on DOR's website at mass.gov/dor or by calling (617) 887-6367, or toll-free in Massachusetts (800) 392-6089.

If you qualify for this credit and you are a homeowner, enter the amount from Schedule CB, Circuit Breaker Credit, line 17; if you are a renter, enter the amount from line 21. Be sure to complete and enclose Schedule CB with your return.

Line 50. Child and Family Tax Credit (part-year residents only)

You may claim a credit of $440 for an individual who is (1) under the age of 13 and who qualifies for exemption as a dependent for federal purposes; (2) a dependent, or the taxpayer's spouse, who is physically or mentally incapable of taking care of himself or herself and principally lives with the taxpayer; or (3) a dependent who is age 65 or over or disabled. Starting with tax years beginning on or after January 1, 2024, a noncustodial parent may claim the credit with respect to a child dependent that is age 13 or older and who is physically or mentally incapable of caring for himself or herself. See TIR 24-13 for additional information. You may only claim the credit if you file as single, head of household, or married filing jointly. You cannot claim this credit if you file as married filing separately.

Part-year residents, enter the number of qualified dependents based on the above criteria in line 50a and multiply that number by $440. Enter the result in line 50b. Then multiply line 50b by line 3 and enter the result in line 50 of Form 1-NR/PY.

Nonresidents. A taxpayer who is a nonresident for the entire taxable year is not eligible for this credit.

Line 51. Other Refundable Credits

Enter in line 51 the amount from Schedule CMS, Credit Manager Schedule.

Be sure to enclose Schedule CMS with your return. Failure to do so will delay the processing of your return. For more information on Schedule CMS, refer to the Schedule CMS instructions on page 38.

Line 53. Excess Paid Family Leave Withholding

Businesses are required to withhold Paid Family and Medical Leave (PFML) contributions from employees and individuals whose payments for services are reported on U.S. Form 1099-MISC (1099-MISC workers) up to the annual income limit set by the Social Security Administration for the Social Security Program.

Self-employed individuals not otherwise covered by PFML may opt to participate in the PFML program and pay PFML contributions from their net earnings from their self-employment income, subject to this same limitation. For the 2025 tax year, the income limit is set at **$176,100** and the maximum PFML contribution amount for most individuals is **$810.06**. For a self employed individual not subject to PFML withholding who opts into PFML, the maximum PFML contribution is **$1,549.68**.

A single employer may not withhold, and a self-employed individual may not contribute, more than the maximum PFML contribution amount in a tax year. If a single employer withholds more than the maximum yearly PFML contribution amount, the employee should contact their employer directly regarding a refund. If your PFML contributions or the amount of PFML contributions withheld on your behalf during the tax year exceeded the maximum PFML contribution amount, or you are self-employed and your contributions were made based on your gross earnings and did not take into account your business expenses, you may have excess PFML contributions that entitles you to seek a credit on your individual tax return, subject to certain requirements.

- **W-2 filers:** If you worked for two or more Massachusetts businesses that each remitted PFML contributions on your behalf during the 2025 tax year, and the total amount of your combined Massachusetts W-2 wage income exceeded **$176,100**, you should complete the worksheet below to determine if you have excess PFML withholding. The PFML law follows the unemployment statute, malegislature.gov/Laws/GeneralLaws/PartI/TitleXXI/Chapter151A/, for determining what counts as wages. If all of the wages reported on your

W-2s are subject to PFML withholding, you should use the greater of Box 3 (Social Security Wages) or Box 5 (Medicare Wages) when completing the worksheet. If a portion of your wages are not subject to PFML withholding, you should reduce your Box 3 (Social Security Wages) or Box 5 (Medicare Wages) by any wages that were not subject to PFML withholding. To be eligible for a credit the total PFML contribution amount remitted on your behalf must exceed **$810.06**. If only one employer withheld PFML contributions, and your PFML contributions exceeded the proper amount due, you must seek reimbursement from your employer. You are not eligible to claim a credit on line 53.

• **1099-MISC workers**: If you worked for one or more Massachusetts businesses that remitted PFML contributions on your behalf based on your 1099-MISC gross earnings during the 2025 tax year, you should complete the worksheet below to determine if you have any excess PFML contributions.

• **Self-employed individuals that opt in to PFML:** If you are a self-employed individual that has opted to participate in the PFML program, your required PFML contributions are based on your net earnings from self-employment. You may complete the worksheet below to determine if you have any excess PFML contributions.

• **Joint returns:** The maximum PFML contribution amount applies on an individual basis. If filing a joint return, figure the amount of excess PFML withholding separately for each spouse and enter the combined total.

For more information about the PFML program, including how PFML contributions are calculated, see the Department of Family and Medical Leave's (DFML) regulation at 458 CMR 2.00, and DFML's website at mass.gov.

Line 53. Excess Paid Family and Medical Leave Contributions Worksheet

If you are eligible to claim a credit for excess PFML contributions, enter in line 53 the amount of excess PFML contributions as determined by completing the worksheet below.

1. *Enter your income as shown on your combined Form W-2s. If greater than* ***$176,100****, then enter* ***$176,100*** . . . . . .

2. *W-2 PFML contribution amount. Multiply line 1 by 0.0046.* . . . . . .

3. *Enter the lesser of your 1099-MISC worker net income or (****$176,100*** *- line 1). If you have a loss, enter 0.* . . . . . .

4. *1099-MISC PFML contribution amount. Multiply line 3 by 0.0046.* . . . . . .

5. *Enter the lesser of your self-employed opt-in net income or (****$176,100*** *- (line 1 + line 3)). If you have a loss, enter 0.* . . . . . .

6. *Self-employed opt-in PFML contribution amount. Multiply line 5 by 0.0088* . . .

7. *Total combined PFML contribution amount. Add lines 2, 4 and 6* . . . . . .

8. *Combine actual amounts of PFML contributions shown as withheld on Forms W-2, 1099-MISC and all amounts actually contributed by a self-employed individual that opted in (No single employer can exceed the maximum PFML contribution amount)* . . . . . .

9. *Excess PFML Contributions withheld. If line 8 is equal to or less than line 7, enter zero in line 9. If line 8 is greater than line 7, subtract line 7 from line 8 and enter difference in line 9* . . . . . .

Enter total in line 9 on line 53 of Form 1-NR/PY.

**If filing a joint return add the amounts on line 9 from each spouse's worksheet and enter the total, in whole dollars only, on line 53 of Form 1-NR/PY.*

Line 54. Nonresident Withholding on Sales of Massachusetts Real Estate

Include on line 54 any Massachusetts income tax withheld from line 5 of Schedule 62-WH, Part 3: Withholding from Form(s) NRW (Real Estate Withholding). Enclose Schedule 62-WH and Form(s) NRW with your return if Massachusetts income tax was withheld, failure to do so may delay the processing of your return.

Refund Amount

Line 56. Overpayment

If line 41 is smaller than line 55, subtract line 41 from line 55 and enter the amount in line 56. This is the amount of your overpayment. If line 41 is larger than line 55, skip to line 59. If line 41 and line 55 are equal, enter 0 in line 58.

Line 57. Amount of Overpayment You Want Applied to Your 2026 Massachusetts Estimated Taxes

Enter the amount of your 2025 overpayment you wish to apply to your 2026 Massachusetts estimated taxes. Once an election is made to apply your overpayment to your 2026 estimated tax, it cannot be refunded after the due date of the return or applied to any additional tax you may owe for 2025. The amount entered in this line can only be claimed as a credit on your 2026 Massachusetts return.

Line 58. Refund Amount

Subtract line 57 from line 56. Enter the result in line 58. This is the amount of your refund.

Note: Your state tax refund may be taxable on your U.S. tax return if you deducted state income tax paid as an itemized deduction on U.S. Schedule A.

Direct Deposit

You may elect to have your refund deposited directly into your savings or checking account. Check with your financial institution to make sure that it accepts direct deposit and verify the routing transit number (RTN) of the issuing financial institution. If we are unable to honor your request for a direct deposit, a paper check will be sent to you.

The routing number of your financial institution is nine digits and begins with 01 through 12 or 21 through 32. The account number can be up to 17 characters (both numbers and letters). Omit hyphens, spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. You must enter the routing number and the account number in the spaces provided in line 58 if you are requesting direct deposit. Failure to do so will result in your request for direct deposit being denied.

Tax Due

Line 59. Tax Due

If line 41 is larger than line 55, subtract line 55 from line 41, and enter the result in line 59. This is the amount of tax you owe with your return. Pay in full with your return. Go to mass.gov/masstaxconnect for online payment options. If you need to mail your payment, make your check or money order payable to the Commonwealth of Massachusetts and write your Social Security number on the front of your check or money order in the lower left corner. Enclose the check with your return. Be sure to use the light blue mailing label when mailing your Form 1-NR/PY.

Failure to file or failure to pay the proper amount of tax when due will result in an increasing amount of interest and penalties. It is advantageous to file when your return is due even if you are unable to make full payment.

If you owe any interest, penalty or additional amount for the underpayment of estimated taxes, add those amounts to the tax you owe when making your payment.

What Are Interest and Penalties?

Interest. If you fail to pay the tax when due, interest will be charged. For further information see TIR 92-6, available at mass.gov/dor.

Penalty for late payment. The penalty for late payment is 1% 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%. If you were required to file a tax return for income received in any prior year and you did not file, you must file for that prior year.

Penalty for protested ("bad") payment. If your payment is not honored by your bank because of insufficient funds or any other reason, a penalty may be added of $30 or the amount of the payment, whichever is less.

Addition for underpayment of estimated tax. You will generally be subject to this addition to tax if you did not have withholding and/or estimated payments equal to 80% of the total tax liability required to be paid and your 2025 tax due after credits and withholding is greater than $400. The 80% requirement is reduced to 66.67% for individuals who receive two-thirds of their income from fishing or farming. If you failed to meet these requirements, you must complete and enclose Massachusetts Form M-2210 to calculate the amount you must add to line 59. You do not have to complete Form M-2210 if the balance due with your return is $400 or less.

You may not be subject to an underpayment penalty if you qualify for one of the following exceptions:

- You are a qualified farmer or fisherman and are paying the full amount of the tax due on or before March 1, 2026;
- You were a Massachusetts resident and were not liable for 2024 taxes (where the taxable year was 12 months); or
- The sum of your estimated payments and withholding equals or exceeds your 2024 tax (where the taxable year was 12 months and a return was filed).

If you qualify for one of these exceptions, fill in the **Exception** oval under line 59 on Form 1-NR/PY and enclose Form M-2210 indicating which of the exceptions applies to your circumstances.

A limited number of taxpayers may also qualify for a waiver of the underpayment penalty for one or more installments if:

- The underpayment was because of casualty or disaster; or
- During 2024 or 2025 you retired after reaching age 62 or became disabled and the underpayment was due to reasonable cause and not willful neglect.

If you think you qualify for one of these waivers, go to mass.gov/masstaxconnect and use DOR's online application for abatement return or enclose Form M-2210 and an explanatory statement with your return and fill in the **Exception** oval under line 59. If your waiver is not for all four installments, complete Form M-2210 to calculate the underpayment penalty for the installments which are not covered by the waiver. Form M-2210 is available by visiting mass.gov/dor.

Penalty for failure to report federal change. If the IRS changes your federal taxable income for a prior year (generally through audit), file an amended return within one year of the final federal determination to avoid this penalty. This penalty is equal to 10% of the additional tax due. If the change indicates a refund, you must file an amended return within one year of federal determination, including acceptance of an amended federal return by the IRS.

Sign Here

Now that you have completed Form 1-NR/PY, sign your name at the bottom of page 1. Your spouse must also sign if this is a joint return. Write the date you signed the return.

Note: Be sure to include all five pages of Form 1-NR/PY and, if applicable, Schedule HC and all other schedules.

Enclose with your Form 1-NR/PY, Schedule 62-WH, all state copies of your Forms W-2, 1099, PWH-WA, W-2G, 2G, NRW, and Schedule K-1s which included Massachusetts withholding. Failure to do so may delay the processing of your return. If making a payment, go to mass.gov/masstaxconnect for online payment options. If you need to mail your payment, enclose a check or money order payable to Commonwealth of Massachusetts and be sure to sign the check and write your Social Security number on it. Also, be sure to use the light blue mailing label when mailing your Form 1-NR/PY.

Paid Preparer Must Sign Your Return

Generally, anyone you pay to prepare your return must sign it in the space provided at the bottom of page 5 of the Form 1-NR/PY. Tax return preparers are authorized to sign the return by means of a rubber stamp, mechanical device, or computer software program, which must include either a facsimile or printed name of the preparer. Preparers are personally responsible for affixing their signatures to returns. Preparers must also provide their Social Security Number (SSN) or Preparer Tax Identification Number (PTIN) and Employer Identification Number (EIN) in the spaces provided at the bottom of page 5. The preparer must give you a copy of the return for your records. Someone who prepares your return but does not charge you should not sign your return.

Paid Preparer Authorization

If you want to allow DOR to discuss your 2025 tax return with the paid preparer who signed it, fill in the **Yes** oval in the signature area of the return at the bottom of page 5 of the Form 1-NR/PY. This authorization applies only to the individual whose signature appears in the paid preparer section of your return. It does not apply to the firm, if any, shown in that section.

If you fill in the **Yes** oval, you, and your spouse if filing a joint return, are authorizing DOR to call the paid preparer to answer any questions that may arise during the processing of your return. You are also authorizing the paid preparer to:

- Give DOR any information that is missing from your return;
- Call DOR for information about the processing of your return or the status of your refund or payment(s); and
- Respond to certain DOR notices that you have shared with the preparer about math errors, offsets and return preparation. The notices will not be sent to the preparer.

You are not authorizing the paid preparer to receive any refund check, bind you to anything (including any additional tax liability), or otherwise represent you before DOR. If you want to expand the paid preparer's authorization, see Form M-2848, Power of Attorney and Declaration of Representative.

The authorization cannot be revoked. However, the authorization will automatically end no later than the due date (without regard to extensions) for filing your 2026 tax return. This is April 15, 2027 for most people.

E-File Opt Out

Income tax return preparers who completed more than 10 original Massachusetts Forms 1 and 1-NR/PY, including those E-filed, during the previous calendar year are required to use electronic means to file all personal income tax returns, unless the taxpayer specifically directs on the paper form that the filing be on paper and signs Form EFO, Personal Income Tax Declaration of Paper Filing. Fill in the oval at the bottom of page 5 of Form 1-NR/PY if you do not want your preparer to file your return electronically. See TIR 21-9 for more information.

Mailing

E-filing is the fastest most efficient way to submit your return and to receive your refund. However, if you are mailing your return follow these guidelines:

• If you are expecting a refund or if you have no tax due, use the white mailing label on the back of the envelope that came with this booklet. If you do not have one, mail your original or amended Form 1-NR/PY to **Massachusetts Department of Revenue, PO Box 7000, Boston, MA 02204-7000.** If using a tax software product, be sure to use the correct PO box. See the inside front cover for this information.

• If you have a tax due, use the light blue mailing label on the back of the envelope that came with this booklet. If you do not have one, mail your original or amended Form 1-NR/PY to **Massachusetts Department of Revenue, PO Box 7003, Boston, MA 02204-7003.** If using a tax software product, be sure to use the correct PO box. See the inside front cover for this information.

Note: If using a tax software product, be sure to use the correct PO box. See the inside front cover.

Note: Schedule lines without specific instructions are considered to be self-explanatory. Be sure to list on each schedule the name and Social Security number that appears first on Form 1-NR/PY. Do not cut or separate schedules.

Schedule NTS-L-NR/PY

Massachusetts Adjusted Gross Income for No Tax Status or Limited Income Credit

Note: All nonresidents and part-year residents having income that is not taxable to Massachusetts but would be if a full-year resident must complete line 7 of Schedule NTS-L-NR/PY.

Massachusetts Adjusted Gross Income (Massachusetts AGI) is not the same as taxable income. Massachusetts AGI includes all:

• Wages, salaries, tips;

• Taxable pensions and annuities;

• Pension income from another state or jurisdiction before any deductions;

• Taxable IRA/Keogh and Roth IRA distributions;

• Fees and unemployment compensation;

• Income or loss from a business or profession;

• Income or loss from partnerships, S corporations and trusts;

• Rents, royalties and REMIC income;

• Taxable alimony received and other 5.0% income;

• Interest from Massachusetts banks; and

• Interest, dividends, and capital gains.

• The No Tax Status provision applies if your Massachusetts AGI on Schedule NTS-L-NR/PY (line 8) is $8,000 or less if single; $14,400 or less plus $1,000 per dependent if head of household, or $16,400 or less plus $1,000 per dependent if married filing a joint return.

Note: If married, you must file a joint return in order to qualify for No Tax Status. For purposes of computing No Tax Status all losses must be entered as 0.

Line 6. Long-Term Capital Gain Income

If filing Schedule D-IS, Installment Sales, see the Schedule D-IS instructions for the amount to enter in line 6. Schedule D-IS and instructions are available on DOR's website at mass.gov/dor.

Line 7. Additional Income/Loss While a Nonresident/Part-Year Resident

Enter in line 7 any income/loss not reported on Form 1-NR/PY because of your nonresidency or part-year residency status but would have been reported on Form 1 if you were a full-year resident.

Note: Nonresidents, do not include any military compensation received during the taxable year as non-Massachusetts source income. See TIR 04-6 for more information.

Line 9. Additional Adjustments to Income While a Nonresident/Part-Year Resident

Enter in line 9 any deductions not originally reported on Schedule Y, lines 2 through 9b and line 10 because of your nonresidency or part-year residency status but would have been reported on Schedule Y if you were a full-year resident.

Line 10. Massachusetts Adjusted Gross Income

Subtract line 9 from line 8. If you are single and the total in line 10 is $8,000 or less, you qualify for No Tax Status. Fill in the oval in Form 1-NR/PY, line 31, enter 0 in line 32 and omit lines 33 through 35. Also, enter 0 on line 36 and continue on Form 1-NR/PY. However, if there is an amount entered in line 29, Credit Recapture Amount and/or line 30, Additional Tax on Installment Sales, enter that amount in line 32 and complete lines 34 and 35.

If you are single but do not qualify for No Tax Status and your total in line 10 is $14,000 or less, go to line 13 to see if you qualify for the Limited Income Credit. If married filing jointly or head of household, go to line 11.

Line 11. No Tax Status for Married Filing Jointly or Head of Household

If married and filing a joint return, multiply the number of dependents (from Form 1-NR/PY, line 4b) by $1,000 and add $16,400 to that amount. If head of household, multiply the number of dependents (from Form 1-NR/PY, line 4b) by $1,000 and add $14,400 to that amount. Enter the result here. If line 10 is less than or equal to line 11, you qualify for No Tax Status. Fill in the oval in Form 1-NR/PY, line 31, enter 0 in line 32 and omit lines 33 through 35. Also, enter 0 on line 36 and continue on Form 1-NR/PY. However, if there is an amount entered in line 29, Credit Recapture Amount and/or line 30, Additional Tax on Installment Sales, enter that amount in line 32 and complete lines 34 and 35.

Line 12. Limited Income Credit Threshold

If you do not qualify for No Tax Status and you are married and filing a joint return, multiply the number of dependents (from Form 1-NR/PY, line 4b) by $1,750 and add $28,700 to that amount. If head of household, multiply the number of dependents (from Form 1-NR/PY line 4b) by $1,750 and add $25,200 to that amount. Enter the result here. If line 10 is less than or equal to line 12, you may qualify for the Limited Income Credit. Go to line 13.

Line 17. Limited Income Credit

If line 15 is smaller than line 16, you are not eligible for this credit. If line 15 is larger than line 16, subtract line 16 from line 15, and enter the result here and in line 33 on Form 1-NR/PY.

Note: If married filing a separate return, you do **not** qualify for this credit.

Schedule DI

Dependent Information

Be sure to enclose with Form 1-NR/PY.

You must complete this schedule if you are claiming a dependent exemption(s) on Form 1-NR/PY, line 4b or taking a credit(s) on Form 1-NR/PY, lines 47 or 50 (if applicable). Failure to provide this information will delay the processing of your return. You must complete the information for each dependent.

In the spaces provided, enter the name, Social Security number, date of birth and the relationship of the dependent to you (son, daughter, mother, father, etc.). Also, if the dependent is a qualifying child for the Earned Income credit, fill in the **Yes** oval. If you are claiming more than 10 dependents, enclose a statement listing the name, Social Security number, date of birth and the relationship of the dependent to you and if the dependent is a qualifying child for the Earned Income credit.

Schedule X

Other Income

Be sure to enclose with Form 1-NR/PY.

Line 1. Taxable Alimony Received (part-year residents only)

Enter in Schedule X, line 1 the amount of taxable alimony and separate maintenance received during the taxable year while you were a Massachusetts resident. The taxable amount is from U.S. Form 1040, Schedule 1, line 2a, reduced by the amount received while you were a nonresident.

Line 2. Taxable IRA/Keogh, Qualified Charitable IRA Distributions and Roth IRA Conversion Distributions (part-year residents only)

Complete the Schedule X, Line 2 Worksheet to calculate the taxable portion of any amount you received from an Individual Retirement Account (IRA), Keogh, qualified charitable IRA distribution or Roth IRA conversion distribution while a Massachusetts resident, whether derived from sources inside or outside of Massachusetts. Since Massachusetts does not allow a deduction for amounts originally contributed to an IRA or Keogh, the distributions are not taxable until the full amount of your contributions (including rollover contributions) which were previously subject to Massachusetts taxes are recovered.

Contributions made to Keogh accounts prior to 1975 were deductible when made. Therefore, no deduction may be taken from a Keogh distribution for amounts contributed before 1975.

Note: Contributions from a deferred plan, such as a 401(k), that were rolled over into an IRA are generally not considered previously taxed contributions and are generally fully taxable upon distribution. Contributions from a deferred plan, such as a 401(k), that were converted into a Roth IRA and were taxed at the time of the conversion are generally considered previously taxed contributions when distributed.

Schedule X, Line 2 Worksheet. Taxable IRA/Keogh Plan, Qualified Charitable IRA Distributions and Roth IRA Conversion Distributions

1. *Total IRA/Keogh plan distributions, qualified charitable IRA distributions, Roth IRA conversion distributions received during 2025* . . . . . ☐

2. *Total contributions previously taxed by Massachusetts* . . . . . ☐

3. *Total distributions received in previous years* . . . . ☐

4. *Subtract line 3 from line 2. If line 3 is larger than line 2, enter 0.* . . . . . ☐

5. *Subtract line 4 from line 1 and enter the result here. Not less than 0.* . . . . . ☐

6. *Total qualified charitable IRA distributions in 2025 included in line 1.* . . . . . ☐

7. *Taxable IRA/Keogh distributions or Roth IRA conversion distributions. Subtract line 6 from line 5. Enter the result here and on Schedule X, line 2. Not less than 0.* . . . . . ☐

Note: You must complete separate worksheets if married filing a joint return and both you and your spouse received IRA/Keogh Plan, qualified charitable IRA distributions, and/or Roth IRA conversion distributions.

Line 3. Other Gambling Winnings

Part-year residents. For the period in which you were a resident, enter in Schedule X, line 3 all gambling and sports wagering winnings, whether from Massachusetts sources or not, as well as winnings from non-Massachusetts lotteries. Do not include the price of winning, non-Massachusetts lottery tickets.

In addition, for the period in which you were a nonresident, enter in Schedule X, line 3 all sports wagering winnings from Massachusetts sources and all gambling winnings from Massachusetts sources, including casinos, raffles, races, beano or other events of chance. Part-year residents do not need to report sports wagering or gambling winnings from non-Massachusetts sources received while a nonresident. Do not report Massachusetts state lottery winnings in Schedule X, line 3. Instead, report Massachusetts state lottery winnings in Form 1-NR/PY, line 10b. Do not enter less than 0.

Nonresidents. Enter in Schedule X, line 3 all sports wagering winnings from Massachusetts sources and all gambling winnings from Massachusetts sources, including casinos, raffles, races, beano or other events of chance. Do not report sports wagering or gambling winnings from non-Massachusetts sources received while a nonresident. Do not report Massachusetts state lottery winnings in Schedule X, line 3. Instead, report Massachusetts state lottery winnings in Form 1-NR/PY, line 10b. Do not enter less than 0.

Note: For both nonresidents and part-year residents, certain sports wagering and gambling losses are now deductible under Massachusetts law. See Schedule Y, line 17 and TIR 15-14 for more information.

Line 4. Fees and Other 5.0% Income

The following items should be reported on line 4 of Schedule X. Do not enter less than 0. Enclose additional statements if more space is needed.

- All fee income, such as payments for jury duty, election worker payments, director's fees, compensation received as executor or administrator of an estate, and commission income or tips not reported in line 5 of Form 1-NR/PY is taxable. Also, report all bartering income not reported on Schedule C (the fair market value of goods or services received in payment for your services).
- All prizes and awards won by a nonresident in a quiz program, drawing, beauty contest, etc. held in Massachusetts (part-year residents, whether held inside or outside of Massachusetts) are taxable at fair market value. Awards and bonuses received from your employer for performance of services in Massachusetts (part-year residents, whether received from sources inside or outside of Massachusetts) not part of a qualified award plan are also taxable.
- Other 5.0% income from Massachusetts sources or received while a part-year resident, reported on U.S. Form 1040, Schedule 1, line 9, and not reported elsewhere on Massachusetts Form 1-NR/PY, lines 5 through 10 or Schedule X, lines 1 through 3, must be reported in line 4 of Schedule X.

Note: Do not include U.S. Shareholders IRC § 965(a) inclusion amounts that are included in the U.S. Form 1040, Schedule 1, line 9 in line 4 of Schedule X. These amounts are included in Schedule B, see Schedule FCI for additional details and instructions.

- Pre-1996 installment sales classified as ordinary income for Massachusetts purposes (from Massachusetts Schedule D, line 10) are taxed as 5.0% income and must be reported on Schedule X, line 4.
- Embezzled or other income from illegal activities from Massachusetts sources or received while a part-year resident is taxable.
- Any benefits paid to you by a union as strike or lockout benefits to the extent included on U.S. Form 1040, line 1h.

The following items should not be reported on your Massachusetts return:

- Any net operating loss reported as a negative amount on U.S. Form 1040, Schedule 1, line 8a cannot be entered on Schedule X. A net operating loss from a business or profession cannot be carried forward or backward to offset individual income in any other year under Massachusetts law.
- Refunds of U.S. and Massachusetts income taxes are not considered income under Massachusetts law. If you received interest on refunds, report such interest on Massachusetts Schedule B.

Line 5. PFML Taxable Distributions

Enter in Schedule X, line 5 all income received from the Department of Family and Medical Leave. The amount should be in box 1 of the 1099-G issued to you by the Commonwealth of Massachusetts, MA Department of Family and Medical Leave.

Line 6. Excess Business Loss Adjustment

For tax year 2025, taxpayers must report on Schedule X, line 6 any excess business loss (EBL) stated on U.S. Form 1040, Schedule 1, line 8p. Generally, EBL is the amount by which the total deductions attributable to a taxpayer's trades or businesses exceed the sum of (i) the taxpayer's total gross income and gains attributable to those trades or businesses and (ii) a threshold amount of $313,000 for single filers and $626,000 for joint returns. Differences between Massachusetts and

federal income and deductions (e.g., bonus depreciation) should be taken into account by adjusting the amount reported on Massachusetts Schedule X, line 6. Explain any difference between amounts reported on Massachusetts Schedule X, line 6, and on U.S. Schedule 1, line 8p, using Massachusetts Schedule TDS. Unlike on federal returns, you may not carry foward disallowed EBL because those losses are treated, for federal purposes, as net operating losses, which are not allowed as a Massachusetts deduction.

Schedule Y

Other Deductions

Be sure to enclose with Form 1-NR/PY.

Note: Some of the deductions reported on Schedule Y may be limited because of your nonresidency or part-year residency status. For more information see Nonresident Deduction and Exemption Ratio and Schedule R/NR instructions.

Line 2. Penalty on Early Savings Withdrawal

If you were charged a penalty because of early withdrawal of savings, and interest on the savings that such a penalty relates to is income reported in line 7 or 24 of this return or on a prior year Massachusetts return, you may deduct the penalty. This deduction is the same as the amount allowable on U.S. Form 1040, Schedule 1, line 18. Enter this amount in line 2 of Schedule Y.

Line 3. Deductible Alimony Paid

Part-year residents, enter in Schedule Y, line 3 the total deductible alimony and separate maintenance paid to your former spouse as reported on U.S. Form 1040, Schedule 1, line 19a, reduced by the amount paid while you were a nonresident.

Nonresidents, multiply the amount of alimony and separate maintenance paid on your U.S. Form 1040, Schedule 1, line 19a, by Form 1-NR/PY, line 14g to determine the amount you may claim against Massachusetts income.

Line 4. Amounts Excludible Under MGL ch 41, § 111F or U.S. Tax Treaty Included Line 5

Massachusetts allows an exclusion from income of amounts received by a firefighter or police officer incapacitated in the line of duty, per MGL ch 41, § 111F, and an exclusion from income of amounts received by a qualifying student or a taxpayer exempt under a U.S. tax treaty.

Enter any excludible amount of income received while you were a firefighter or police officer incapacitated in the line of duty in line 4a of Schedule Y that was included in Form 1-NR/PY, line 5.

If you were a qualifying student or a taxpayer with income exempt under a U.S. tax treaty, enter any excludible amount of income received that was exempt under a U.S. tax treaty in line 4b of Schedule Y that was included in Form 1-NR/PY, line 5.

Line 5. Moving Expenses for Members of the Armed Forces

For tax years 2018 through 2026, for qualifying members of the Armed Forces, enter in Schedule Y, line 5 the amount of deductible moving expenses as reported on U.S. Form 1040, Schedule 1, line 14, as adjusted to reflect only those deductible moving expenses that relate to moving to or from Massachusetts. Members of the armed forces can have a Massachusetts moving expense if they:

- Have Massachusetts income; and
- Due to a military order, have moved to or from Massachusetts because of a permanent change of station.

Schedule Y, Line 5 Worksheet. Moving Expenses for Members of the Armed Forces Deduction

1. *Transportation and storage of household goods and personal effects in 2025* . . . . . [ ]

2. *Travel (including lodging) from your old home to your new home. Do not include cost of meals* . . . . . [ ]

3. *Add lines 1 and 2* . . . . . [ ]

4. *Enter the total amount the government paid you for the expenses listed on lines 1 and 2 that is not included in box 16 of your Form W-2 (wages). This amount should be shown in box 12 of your Form W-2 with code P* . . . . . [ ]

5. *If line 4 is more than line 3, you are not entitled to this deduction. If line 4 is less than line 3, subtract line 4 from line 3 and enter the result here and on Schedule Y, line 5* . . . . . [ ]

Line 6. Medical Savings Account

Nonresidents. Multiply the amount of Medical Savings Account included in U.S. Form 1040, Schedule 1, line 23, "MSA," by line 14g and enter the result in Schedule Y, line 6.

Part-year residents. Multiply the amount of Medical Savings Account included in U.S. Form 1040, Schedule 1, line 23, "MSA," by line 3 and enter the result in Schedule Y, line 6.

Line 7. Self-Employed Health Insurance

Enter in Schedule Y, line 7 the amount from U.S. Form 1040, Schedule 1, line 17 that is related to Massachusetts self-employment.

Note: The amount on Schedule Y, line 7 should be the same as the amount on U.S. 1040, Schedule 1, line 17. If you elected to claim the federal credit for health insurance costs and were required to reduce the U.S. Form 1040, Schedule 1, line 17 deduction by the amount of the federal credit, you may not add the federal credit to the amount on Schedule Y, line 7.

Line 8. Health Savings Accounts

Nonresidents. Multiply the amount from U.S. Form 1040, Schedule 1, line 13 by line 14g and enter the result in Schedule Y, line 8.

Part-year residents. Multiply the amount from U.S. Form 1040, Schedule 1, line 13 by line 3 and enter the result in Schedule Y, line 8.

Line 9. Other Qualified Deductions

You may claim only the following deductions for Schedule Y, line 9.

9a Certain qualified deductions from U.S. Form 1040. Enter the sum of the amounts reported on U.S. Form 1040, Schedule 1, line 11 (Educator expenses), line 24a (Jury duty pay), line 24b (Deductible expenses related to income reported on line 8l from the rental of personal property engaged in for profit) but only to the extent it relates to income reported on Massachusetts Schedule X, line 4, line 24c (nontaxable value of Olympic and Paralympic medals and the amount of United States Olympic Committee (USOC) prize money), line 24d (Reforestation amortization and expenses), line 24e (Repayment of supplemental unemployment benefits under the Trade Act of 1974), line 24g (Contributions by certain chaplains to § 403(b) plans), line 24h (Attorney fees and court costs for action involving certain unlawful discrimination claims), line 24i (Attorney fees in connection with federal tax whistleblower actions that result in awards from the IRS), and line 24z (Other adjustments), but only to the extent deductible in Massachusetts.

Do not include amounts reported on U.S. Form 1040, Schedule 1, lines 12 through 23, or amounts not identified above in line 24; including but not limited to amounts contributed to § 501(c)(18) pension plans and IRC § 404 deduction for contributions on behalf of IRC § 401(c)(1) employees (sole proprietors and partners). See DD 08-3.

9b Business Expenses of National Guard and Reserve Members, Performing Artists, and Fee-Basis Government Officials; Impairment-related Work Expenses of Persons with Qualifying Disabilities.

Note: No deduction is allowed to a taxpayer who files a joint federal income tax return unless a MA joint return is also filed. MGL, ch 62, § 2(d)(2).

Enter the sum of 1) the amount from U.S Form 1040, Schedule 1, line 12; and 2) certain impairment-related work expenses included on U.S. Form 1040, Schedule A, line 16.

If you're a **National Guard or Reserve member** who has to travel more than 100 miles from home to perform services as a National Guard or Reserve member, you're allowed a deduction for unreimbursed overnight travel, meals and lodging expenses.

If you perform services as an **official state or local government employee**, and you're compensated in whole or part on a fee basis, you're allowed a deduction for the expenses you paid related to those services.

Generally, this applies to officials who provide certain services to the government, and who hire employees and incur expenses related to their official duties.

If you meet the federal qualifications to be considered a **qualified performing artist**, you're allowed a deduction for expenses you paid related to your performances.

Impairment-related Work Expenses of Persons with Qualifying Disabilities are the allowable expenses of an individual with physical or mental disabilities for attendant care at his or her place of employment. They also include other expenses in connection with the place of employment that enable the employee to work.

Employees who are not salespersons who solicit business for an employer away from the employer's place of business may only report impairment-related expenses from U.S. Form 1040, Schedule A, line 16 that are expenses of travel, meals, and lodging while away from home, or expenses of transportation.

9c Charitable Contribution Deduction. Massachusetts allows a charitable deduction in an amount equal to the federal charitable deduction, except that the state deduction does not include any amounts for contributions of household goods or used clothing. Taxpayers do not have to itemize their deductions for federal tax purposes to claim the Massachusetts deduction.

The Massachusetts deduction may only be used to reduce Part B adjusted gross income – e.g. wages – and cannot be used to reduce capital gain, dividend, or interest income other than interest from Massachusetts banks.

Taxpayers must keep records to substantiate cash and non-cash charitable contributions to the same extent as specified in U.S. Form 1040, Schedule A instructions.

If you deduct more than $500 of non-cash contributions, you must complete and attach U.S. Form 8283.

Part-year residents. Multiply the amount entered on U.S. Form 1040, Schedule A, line 14, excluding the value of household goods or used clothing, by the amount on Form 1-NR/PY, line 3, and enter the result in Schedule Y, line 9c. If you did not itemize deductions on your U.S. return, multiply the amount you would have entered on U.S. Form 1040, Schedule A, line 14 (excluding the value of household goods or used clothing) if you had itemized by the amount on Form 1-NR/PY, line 3, and enter the result in Schedule Y, line 9c.

Nonresidents. Multiply the amount entered on U.S. Form 1040, Schedule A, line 14, excluding the value of household goods or used clothing, by the amount on Form 1-NR/PY, line 14g, and enter the result in Schedule Y, line 9c. If you did not itemize deductions on your U.S. return, multiply the amount you would have entered on U.S. Form 1040, Schedule A, line 14 (excluding the value of household goods or used clothing) if you had itemized by the amount on Form 1-NR/PY, line 14g, and enter the result in Schedule Y, line 9c.

Line 10. Student Loan Interest Deduction

Nonresidents. Multiply the amount from U.S. Form 1040, Schedule 1, line 21 (not to exceed $2,500) by line 14g and enter the result in Schedule Y, line 10.

Part-year residents. Multiply the amount from U.S. Form 1040, Schedule 1, line 21 (not to exceed $2,500) by line 3 and enter the result in Schedule Y, line 10. This deduction is only allowed if not claiming the same expenses in line 12 of Schedule Y, Undergraduate Student Loan Interest Deduction.

Line 12. Undergraduate Student Loan Interest Deduction

A deduction is allowed for interest paid on a qualified undergraduate student loan. To be eligible for the deduction, the "education debt" must be a loan that is administered by the financial aid office of a two-year or four-year college at which you, or a qualified dependent, were enrolled as an undergraduate student. Additionally, the loan must have been secured through a state student loan program, a federal student loan program, or a commercial lender, and must have been spent solely for the purposes of paying tuition and other expenses directly related to the school enrollment. Enter the amount of such interest paid in Schedule Y, line 12. This deduction is only allowed if not claiming the same expenses in line 10 of Schedule Y, Student Loan Interest Deduction.

Nonresidents. Multiply the amount of such interest paid by Form 1-NR/PY, line 14g and enter the result in Schedule Y, line 12.

Part-year residents. Multiply the amount of such interest paid by Form 1-NR/PY, line 3 and enter the result in Schedule Y, line 12.

Line 13. Deductible Amount of Qualified Contributory Pension Income from Another State or Political Subdivision Included in Form 1-NR/PY, Line 6

Massachusetts allows a deduction for contributory pension income received from another state or one of its political subdivisions which does not tax such income from Massachusetts or its political subdivisions. For guidelines to determine which state's pensions are exempt in Massachusetts, see TIR 95-9. Enter any deductible amount of such income in line 13 of Schedule Y that was included in Form 1-NR/PY, line 6.

Line 14. Claim of Right Deduction

Taxpayers who have paid Massachusetts personal income taxes in a prior year on income attributed to them under a "claim of right" may deduct the amount of that income from their gross income if it later develops that they were not in fact entitled to the income, and have repaid the amounts in question. The deduction is allowed in the year of repayment, provided that the repayment is not otherwise deductible in determining Massachusetts income taxable under MGL ch 62. Some examples in which the claim of right may be applied for are:

Stock under claim of ownership. Gains from sales of stock under a claim of ownership must be included, regardless of whether the taxpayer actually owned it;

Employment contracts. Amounts in settlement of employment contracts must be included notwithstanding the prospect of eventual repayment to the employer of an amount equivalent to or greater than the amount received;

Dividends. Where a taxpayer receives a dividend that must be repaid in a later year (e.g., because it impaired corporate capital), the dividend must be included in the year of receipt;

Corporate notes. Where a taxpayer receives a distribution with respect to holding of notes, the income must be included regardless of whether it could be challenged by senior creditors;

Mistake in validity of claim. The claim of right doctrine applies where a taxpayer merely mistakes the validity of his claim; or

Advanced insurance commissions; or

Repayment of unemployment compensation and supplemental unemployment benefits in a subsequent year.

If you are entitled to claim this deduction, enter the amount claimed in Schedule Y, line 14. For more information, see TIR 06-4.

Line 15. Commuter Deduction

A deduction is allowed for certain amounts paid by an individual for tolls paid for through an E-ZPass

account or all MBTA fares, not just weekly or monthly transit commuter passes, and includes RTA fares, bikeshare memberships, bike purchases (including e-bikes), bike improvements/repair/storage, and fares on non-MBTA commuter boats that are owned, operated or contracted by a municipality or a public or quasi-public entity, agency or authority, not including amounts reimbursed or otherwise deductible.

In the case of a single person or a married person filing a separate return or as head of household, this deduction applies only to the portion of such expended amount that exceeds $150, and the total amount deducted cannot exceed $750. In the case of a married couple filing a joint return, this deduction applies only to the portion of such amount expended by each individual that exceeds $150, and the total amount deducted cannot exceed $750 for each individual. Also, one spouse cannot transfer his or her excess deduction to the other spouse; separate worksheets must be completed to calculate the deduction. See TIR 06-14 for additional information.

The deduction is allowed where an individual purchases an MBTA pass for a dependent who is claimed on that individual's tax return, provided the dependent does not also claim the deduction. However, the total amount deducted cannot exceed $750 for each individual taxpayer who is filing a return. In the case of married taxpayers filing a joint return, the total amount deducted cannot exceed $750 per taxpayer; thus, the maximum deduction for a joint return is $1,500.

Schedule Y, Line 15 Worksheet. Commuter Deduction

1. *Enter amount paid in 2025 for tolls through an E-ZPass account* . . . . . .

2. *Enter amount paid in 2025 for commuting costs (Do not include amounts reimbursed or otherwise deductible)* . . . . . .

3. *Add lines 1 and 2. If $150 or less, you do not qualify for this deduction. Omit remainder of this worksheet. Otherwise, complete lines 4 through 6* . .

4. *Enter $150* . . . . . .

5. *Subtract line 4 from line 3*

6. *Enter the lesser of line 5 or $750* . . . . . .

7. *Nonresidents, multiply line 6 by Form 1-NR/PY, line 14g. Enter the result here and in line 15 on Schedule Y. Part-year residents, multiply line 6 by Form 1-NR/PY, line 3. Enter the result here and in line 15 on Schedule Y*. . . . . .

Line 17. Certain Gambling Losses

Massachusetts allows a deduction from 5.0% income for losses from wagering transactions that were incurred in a calendar year at a Massachusetts gaming establishment licensed in accordance with MGL ch 23K or a racing meeting licensee or simulcasting licensee, only to the extent of the gains from such transactions. See TIR 15-14 for more information. For tax years beginning on or after January 1, 2023, this deduction also includes losses from sports wagers that were incurred through a Massachusetts sports wagering operator licensed under MGL ch 23N.

A taxpayer may claim a deduction for qualifying sports wagering and gambling losses incurred in the calendar year from the above Massachusetts sources only if the taxpayer had sports wagering or gambling winnings in the same calendar year from any such Massachusetts source. The deduction allowed for such losses may not exceed the amount of such winnings included in gross income for the calendar year.

Because Massachusetts does not adopt the deductions under IRC § 165(d), the deduction for sports wagering and gambling losses set forth in MGL ch 62, § 3(B)(a)(18) is the only deduction for such losses allowed a Massachusetts taxpayer, unless the sports wagering and gambling activities of the taxpayer constitute a trade or business.

Example 1

For calendar year 2025, taxpayer, a Massachusetts resident, has:

- Gambling winnings of $500 from Massachusetts state lottery;
- Gambling winnings of $800 from a casino licensed under MGL ch 23K;
- Gambling winnings of $1200 from a Las Vegas casino;
- Sports wagering winnings of $500 from a sports wagering operator licensed under MGL ch 23N;
- Sports wagering winnings of $600 from a sports wagering operator in Las Vegas;
- Gambling losses of $1600 from a Las Vegas casino;
- Gambling losses of $510 from Massachusetts Lottery scratch tickets;
- Gambling losses of $1000 from a casino licensed under MGL ch 23K;
- Sports wagering losses of $700 from a sports wagering operator licensed under MGL ch 23N;
- Sports wagering losses of $200 from a sports wagering operator in Las Vegas.

For Massachusetts income tax purposes, the taxpayer must include $500 of their Massachusetts state lottery winnings on Form 1, line 8b and the remaining $3,100 of their gambling and sports wagering winnings on Schedule X, line 3. The taxpayer may claim a deduction for gambling losses from casinos licensed under ch 23K and for sports wagering losses from sports wagering operators licensed under MGL ch 23N but only to the extent of winnings from casinos licensed under ch 23K and sports wagering operators licensed under MGL ch 23N. No deduction is available for the taxpayer's gambling and sports wagering losses from other sources. The taxpayer had winnings of $800 and losses of $1,000 from casinos licensed under ch 23K. The taxpayer had winnings of $500 and losses of $700 from sports wagering operators licensed under MGL ch 23N. Thus, the taxpayer may claim a deduction of $1300, the extent of aggregate winnings from qualifying Massachusetts sources. The remaining $400 of loss from casinos licensed under ch 23K and sports wagering operators licensed under MGL ch 23N may not be deducted. Gambling losses from the Massachusetts state lottery are not deductible.

Example 2

For calendar year 2025, nonresident taxpayer has:

- Gambling winnings of $500 from Massachusetts state lottery,
- Gambling winnings of $800 from a casino licensed under MGL ch 23K,
- Gambling winnings of $1200 from a Las Vegas casino,
- Sports wagering winnings of $100 from a sports wagering operator licensed under MGL ch 23N;
- Sports wagering winnings of $600 from a sports wagering operator in Las Vegas;
- Gambling losses of $1600 from a Las Vegas casino,
- Gambling losses of $510 from Massachusetts Lottery scratch tickets, and
- Gambling losses of $1000 from a casino licensed under MGL ch 23K;
- Sports wagering losses of $900 from a sports wagering operator licensed under MGL ch 23N;
- Sports wagering losses of $200 from a sports wagering operator in Las Vegas.

For Massachusetts income tax purposes, the nonresident taxpayer must include $500 of their Massachusetts state lottery winnings on Form 1-NR/PY, line 10b and the $900 of their gambling and sports wagering winnings from casinos licensed under MGL ch 23K and sports wagering operators licensed under MGL ch 23N on Schedule X, line 3. The nonresident taxpayer does not report the $1,200 in winnings from the Las Vegas casino or the $600 in winnings from the Las Vegas sports wagering operator on the Massachusetts return. The nonresident taxpayer may claim a deduction for losses from casinos licensed under MGL ch 23K and sports wagering operators li-

censed under MGL ch 23N but only to the extent of winnings from casinos licensed under MGL ch 23K and sports wagering operators licensed under MGL ch 23N. No deduction is available for the nonresident taxpayer's gambling and sports wagering losses from other sources. The nonresident taxpayer had winnings of $800 and losses of $1,000 from casinos licensed under MGL ch 23K. The nonresident taxpayer had winnings of $100 and losses of $900 from sports wagering operators licensed under MGL ch 23N. Thus, the taxpayer may claim a deduction of $900, the extent of aggregate winnings from qualifying Massachusetts sources. The remaining $1,000 of loss from casinos licensed under MGL ch 23K and sports wagering operators licensed under MGL ch 23N may not be deducted. Gambling losses from the Massachusetts state lottery are not deductible.

If you are entitled to claim this deduction, enter the qualified amount in Schedule Y, line 17.

Line 18a. Prepaid Tuition or College Savings Plan Deduction

A deduction is available for purchases of or contributions made to an account in a pre-paid tuition program or a college savings program established by the Commonwealth. The deduction is capped at $1,000 for a single person, married filing separate, or head of household and $2,000 for a married couple filing a joint return. The deduction is subject to recapture in the taxable year or years in which distributions or refunds are made from the tuition or college savings account for any reason other than:

- To pay qualified higher education expenses, as defined by IRC § 529(e)(3); or
- The beneficiary's death, disability or receipt of a scholarship.

Nonresidents. Multiply the allowable amount, not to exceed the capped amount based on filing status, by Form 1-NR/PY, line 14g and enter the result in Schedule Y, line 18a.

Part-year residents. Multiply the allowable amount, not to exceed the capped amount based on filing status, by Form 1-NR/PY, line 3 and enter the result in Schedule Y, line 18a.

Enter the allowable amount on Schedule Y, line 18. For more information, see TIR 16-15.

Line 18b. Student Loan Repayment Assistance Deduction

A deduction is available for employer-provided student loan repayment assistance to the extent not already excluded from federal gross income. Employer-provided student loan repayment assistance is the employer's payment of an employee's principal or interest on a qualified education loan, as defined in IRC § 221. Employees enter on line 18b the amount of such employer-provided student loan repayment assistance that exceeds $5,250.

Schedule B

Note: If showing a loss, be sure to mark over the X in the box to the left. Also, be sure to enclose with Form 1-NR/PY.

Interest, Dividends and Certain Capital Gains and Losses

You must file Massachusetts Schedule B if you had:

- Dividend income;
- Any interest income other than from Massachusetts banks taxed at 5.0%;
- Short-term capital gains or losses;
- Carryover short-term losses from prior years;
- Long-term gains on collectibles and pre-1996 installment sales classified as capital gain income for Massachusetts purposes;
- Gains or losses from the sale, exchange or involuntary conversion of property used in a trade or business;
- Net long-term capital gains and losses; or
- Excess exemptions.

Collectibles are defined as any capital asset that is a collectible within the meaning of IRC § 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 1-NR/PY, line 7), and you have no short-term capital gains or losses, long-term gains on collectibles and pre-1996 installment sales, gains or losses from the sale, exchange or involuntary conversion of property used in a trade or business, allowable deductions from your trade or business, carryover short-term losses from prior years, net long-term capital gains or losses, or excess exemptions.
- 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 distributions that are returns of capital.

Part 1. Interest and Dividend Income

Line 1. Total Interest Income

Enter your total interest income from your U.S. Form 1040, lines 2a and 2b.

Line 2. Total Ordinary Dividends

Enter your total ordinary dividends from your U.S. Schedule B, Part II, line 6. If you did not file U.S. Schedule B, enter the amount from U.S. Form 1040, line 3b.

Line 3. Other Interest and Dividends

Enter the following amounts and their sources (enclose additional statement if more space is necessary):

- Interest from obligations of other states and their political subdivisions (including your share, if any, from a partnership, an S corporation and a grantor-type trust or non-Massachusetts trust). Do not include exempt interest already included in Schedule B, line 1;
- Taxable distributions from Massachusetts S corporations not reported in Schedule B, line 2. Distributions in excess of the Massachusetts accumulated adjustments account are dividends to the extent of the corporation's Massachusetts accumulated earnings and profits. For more information, see 830 CMR 62.17A.1;
- Interest and dividends from a partnership, S corporation, grantor-type trust, or non-Massachusetts estate or trust from Massachusetts Schedule E. Generally, portfolio interest and dividend income from partnerships and S corporations should already be included in Schedule B, line 1 and line 2 amounts;
- Interest from a trade or business that is reported on Massachusetts Schedule C;
- Interest or dividends from a mutual fund, if such distributions are not included in Schedule B, line 1 or line 2. See Schedule B, line 6a; or
- Global Intangible Low-Taxed Income (GILTI), to the extent included in income reported on federal Schedule 1. See Technical Information Release (TIR) 19-11.

Lines 5 and 6

Enter only amounts related to income that you have already included in lines 1, 2, and 3.

Line 5. Total Interest from Massachusetts Banks

Enter the total interest included in Form 1-NR/PY, line 7, only if it has been included in lines 1 or 3 of this schedule.

Line 6a. Other Interest and Dividends to Be Excluded

Enter the total interest and dividends from the following sources (enclose an additional statement, if necessary) only if it has been included in lines 1 or 3 of this schedule (not less than 0):

• Interest on U.S. debt obligations. Enter interest received on treasury bills, notes and bonds, savings bonds or other obligations of the United States, including its territories or dependencies. Such interest is tax-exempt in Massachusetts. For further information concerning exempt obligations of the United States, see TIR 89-8;

• Interest and dividends taxed directly to Massachusetts estates and trusts. Enter the interest and dividends that are taxed directly to a Massachusetts estate or trust (reportable on a Massachusetts Fiduciary Return, Form 2);

• Any distribution which is a return of capital included in total gross dividends, line 2;

• Any interest or dividends from obligations of the Commonwealth of Massachusetts or its political subdivisions held by you;

• Any exempt portion of interest or dividends from a mutual fund included in lines 1, 2 or 3 of this schedule. Enter only the exempt portion of interest or dividends derived from obligations of the U.S. government or the Commonwealth of Massachusetts or its political subdivisions; or

• Any interest on pre-retirement distributions from state and municipal contributory pension plans.

Do not enter in line 6a either of the following:

• Dividends from the earnings and profits accumulated prior to January 1, 1971, by any corporate trust which was not taxed directly by Massachusetts in prior years, even though such an entity is taxed directly now (obtain from the entity the taxable status of dividends paid to you); or

• Dividends from any corporate trust which is not taxed directly by Massachusetts. Such entities include: those not doing business in Massachusetts; regulated investment companies or real estate investment trusts (as defined under IRC §§ 851 and 856 respectively); or holding companies (as defined in MGL ch 62, § 8).

Line 6b. Part-Year/Nonresidents only.

Part-year residents. Any amounts included in lines 1, 2 or 3 which you received while domiciled in another state or country from sources other than Massachusetts, not less than 0; or

Nonresidents. Any amounts included in lines 1, 2 and 3 which you received from sources other than Massachusetts, not less than 0.

Line 8. Allowable Deductions from Your Trade or Business

Enter the appropriate amount from Massachusetts Schedule C-2 if you qualify for an excess trade or business deduction. Generally, taxpayers may not use excess 5.0% deductions to offset other income. However, where the taxpayer files a Massachusetts Schedule C or Schedule E, Massachusetts law allows such offsets if the following requirements are met: the excess 5.0% deductions must be adjusted gross income deductions allowed under MGL ch 62, § 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 or business or any other income allowed under IRC, § 469(d)(1)(B) to offset losses from passive activities.

Line 9. Subtotal Interest and Dividend Income

Subtract line 8 from line 7.

Part 2. Short-Term Capital Gains and Losses and Long-Term Gains on Collectibles and Pre-1996 Installment Sales

If you do not have short-term capital gains or losses, long-term capital gains on collectibles, pre-1996 installment sales, short-term capital gains or losses from the sale, exchange or involuntary conversion of property used in a trade or business, or Massachusetts short-term losses from prior year carryover, omit Part 2, lines 10-28 and go to Part 3, line 29.

If there are any differences between U.S. and Massachusetts amounts reported in lines 10, 11, 12, 16 and 17, be sure to enter the Massachusetts amount. Possible differences include:

• Short-term capital gains taxed directly to Massachusetts estates and trusts (reportable on a Massachusetts Fiduciary Return, Form 2);

• 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.

Part-Year/Nonresident filers do not exclude your transactions not associated with a trade or business in Massachusetts from lines 10,12,16 and 17.

See lines 13b and 19b for these adjustments.

Line 10. Massachusetts Short-Term Capital Gains

Enter the gross short-term capital gains from U.S. Schedule D, lines 1 through 5, column h.

Note: If there are any differences between U.S. and Massachusetts complete the line 10 worksheet.

Schedule B, Line 10 Worksheet

1. *Gross short-term capital gains from U.S. Schedule D, lines 1 through 5, column h*	
2. U.S. and Massachusetts differences	
3. Combine lines 1 and 2	
4. Capital loss transactions now included in line 3. Enter here and on line 6 of the Schedule B, Line 16 Worksheet	
5. Subtract line 4 from line 3.	
6. Capital gain transactions from line 4 of the Schedule B, Line 16 Worksheet	
7. Total Massachusetts short-term capital gains. Add lines 5 and 6. Enter here and on Schedule B, line 10	

Line 11. Long-Term Capital Gains on Collectibles and Pre-1996 Installment Sales

Enter the amount of long-term capital gains on collectibles and pre-1996 installment sales classified as capital gain income for Massachusetts purposes, from Massachusetts Schedule D, line 12.

Line 12. 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.

Schedule B, Line 12 Worksheet.

1. *Gross gain on sale of business property held for one year or less from U.S. Form 4797*	
2. *U.S. and Massachusetts differences*	
3. *Combine lines 1 and 2*	
4. *Loss transactions now included in line 3. Enter here and in line 6 of the Schedule B, Line 17 Worksheet.*	
5. *Subtract line 4 from line 3*	
6. *Gain transaction from line 4 of the Schedule B, Line 17 Worksheet.*	

continue on next page …

7. Total Massachusetts gain on the sale, exchange or involuntary conversion of property used in a trade or business and held for one year or less. Add lines 5 and 6. Enter here and on Schedule B, line 12 . . . . . .

Line 13b. Part-Year/Nonresidents only.

Part-year residents, enter the amount of gain transactions included in lines 10 and 12 conducted while you were domiciled in another state or country that were not associated with a trade or business in Massachusetts, not less than 0;

Nonresidents, enter the amount of gain transactions included in lines 10 and 12 that were not associated with a trade or business in Massachusetts, not less than 0.

Line 14. Allowable Deductions from Your Trade or Business

Enter the appropriate amount from Massachusetts Schedule C-2 if you qualify for an excess trade or business deduction. Generally, taxpayers may not use excess 5.0% deductions to offset other income. However, where the taxpayer files a Massachusetts Schedule C or Schedule E, Massachusetts law allows such offsets if the following requirements are met: the excess 5.0% deductions must be adjusted gross income deductions allowed under MGL Ch 62, § 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 or business or any other income allowed under IRC, § 469(d)(1)(B) to offset losses from passive activities.

Line 16. Short-Term Capital Losses

Enter the gross short-term capital losses included in U.S. Schedule D, lines 1 through 5, column h. If there are any differences between U.S. and Massachusetts complete the line 16 worksheet.

Schedule B, Line 16 Worksheet

1. *Gross short-term capital losses from U.S. Schedule D, lines 1 through 5, column h.* . . . . . .

2. *U.S. and Massachusetts differences* . . . . . .

3. *Combine lines 1 and 2* . . .

4. *Capital gain transaction now included in line 3. Enter here and on line 6 of the Schedule B, Line 10 Worksheet* . . . . . .

5. *Subtract line 4 from line 3*

6. *Capital loss transactions from line 4 of the Schedule B, Line 10 Worksheet* . . . . . .

7. *Total Massachusetts Short-term Capital losses. Add lines 5 and 6. Enter here and on Schedule B, line 16* . . . . . .

Line 17. 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. If there are any differences between U.S. and Massachusetts complete the line 17 worksheet.

Schedule B, Line 17 Worksheet

1. *Gross loss on sale of business property held for one year or less from U.S. Form 4797* . . . . . .

2. *U.S. and Massachusetts differences* . . . . . .

3. *Combine lines 1 and 2* . . .

4. *Gain transactions now included in line 3. Enter here and in line 6 of the Schedule B, Line 12 Worksheet.* . . . . . .

5. *Subtract line 4 from line 3*

6. *Loss transactions from line 4 of the Schedule B, Line 12 Worksheet.* . . . . . .

7. *Total Massachusetts losses on the sale, exchange or involuntary conversion of property used in a trade or business and held for one year or less. Add lines 5 and 6. Enter here and on Schedule B, line 17* . . . . . .

Line 18. Prior Years Short-Term Unused Losses.

Enter here the amount from your 2024 Massachusetts Schedule B, line 40.

Line 19b. Part-Year/Nonresidents only.

Part-year residents, enter the amount of loss transactions included in lines 16 and 17 conducted while you were domiciled in another state or country that were not associated with a trade or business in Massachusetts. Must be less than 0;

Nonresidents, enter the amount of loss transactions included in lines 16 and 17 that were not associated with a trade or business in Massachusetts. Must be less than 0.

Line 20. Short-term losses applied against interest and dividends

If you have a loss on line 19c you can apply up to $2,000 of it against interest and dividends reported in line 9. If line 19c is zero or greater, go to line 24. If line 19 c is zero or less, enter the smaller of line 9 or line 19c on line 20 (considered as a positive amount). Not more than $2,000.

Line 21. Available Short-Term Losses

Combine lines 19c and 20. This amount should be 0 or less. If line 21 is less than 0, go to line 22. If line 21 is 0, omit lines 22 through 28 and go to Part 3.

If Schedule B, line 21 is a loss and Schedule D, line 13 is a loss, omit line 22, enter the amount from line 21 in line 23 and line 40, omit lines 24 through 28 and complete Part 3.

Line 22. Short-Term Losses Applied Against Long-Term Gains

If Schedule B, line 21 is a loss and Schedule D, line 13 is greater than 0, enter the smaller of Schedule B, line 21 (considered as a positive amount) or Schedule D, line 13 in Schedule B, line 22 and in Schedule D, line 14.

Line 24. Short-Term Gains and Long-Term Gains on Collectibles

Enter the amount from Schedule B, line 19c. Not less than 0. If Schedule D, line 13 is 0 or greater, omit line 25 and enter the amount from line 24 in line 26. If Schedule D, line 13 is a loss, go to Schedule B, line 25.

Line 25. Long-Term Losses Applied Against Short-Term Gains

If Schedule B, line 24 is greater than 0, and Schedule D, line 13 is a loss, enter the smaller of Schedule B, line 24 or Schedule D, line 13 (considered as a positive amount) in Schedule B, line 25 and in Schedule D, line 14.

Line 27. Long-Term Gains Deduction

Schedule B, Line 27 Worksheet. Long-Term Gains Deduction

Complete only if line 26 is greater than 0 and there is an entry in line 11.

1. *Enter amount from Schedule B, line 11* . . . . . .

2. *Enter the total of Schedule B, lines 10 and 12, minus line 13b* . . . . . .

3. *Enter the total of Schedule B, lines 16, 17, 18, and 25, then exclude line 19b* . . . . . .

4. *If line 3, considered as a positive amount, is less than line 2, enter 0. If line 3, considered as a positive amount, is greater than line 2, combine lines 2 and 3* . . . . . .

5. *Combine lines 1 and 4* . . .

6. *Multiply line 5 by .5 (50%)*

7. *Enter the amount from Schedule B, line 26* . . . . . .

8. *Enter the smaller of line 6 or line 7 here and on Schedule B, line 27. Not less than 0* . . .

- If there are no losses reported on lines 19c plus line 15 and 25, enter 50% of line 11.
- If the losses reported on lines 19c plus line 15 and 25 do not exceed the total amount of gains on line 13c minus line 11, enter 50% of line 11.
- If the losses reported on lines 19c plus line 15 and 25 exceed the total amount of gains on line 13c minus line 11 enter 50% of line 11 minus 50% of the excess loss (total of lines 19c plus line 15 and 25 minus the total of Line 13c minus line 11).

Example

Jack has a long-term capital gain on collectibles of $1,000 entered in line 11 and line 15. He does not have any other interest income (other than interest from Massachusetts banks) and dividend income. Jack also has a short-term capital loss of $100 entered in line 16 and a prior-year short-term unused loss of $200 entered in line 18. Jack enters $350 in line 27: $500 (50% of $1,000) – $150 (50% of $300) = $350.

Part 3. Adjusted Gross Interest, Dividends Short-Term Capital Gains and Long-Term Gains on Collectibles

Line 31. Subtotal Interest and Dividends

If Schedule D, line 15 is 0 or greater, omit Schedule B, line 32 and enter the amount from Schedule B, line 31 in Schedule B, line 33. If Schedule D, line 15 is a loss, go to Schedule B, line 32.

Line 32. Long-Term Losses Applied Against Interest and Dividends

If Schedule B, line 31 is a positive amount and Schedule D, line 15 is a loss, complete the Long-Term Capital Losses Applied Against Interest and Dividends Worksheet for Schedule B, Line 32 and Schedule D, Line 16. When completing the worksheet, be sure to enter all losses as a positive amount.

Schedule B, Line 32 and Schedule D, Line 16 Worksheet. Long-Term Capital Losses Applied Against Interest and Dividends

Complete only if Schedule B, line 31 is a positive amount and Schedule D, line 15 is a loss. Enter all losses as positive amounts.

1. *Enter amount from Schedule B, line 29* . . . . . .

2. *Enter the lesser of line 1 or $2,000* . . . . . .

3. *Enter the amount from Schedule B, line 30* . . . . . .

4. *Subtract line 3 from line 2. If 0 or less omit the remainder of worksheet. Otherwise, complete lines 5 and 6* . . . . . .

5. *Enter any loss from Schedule D, line 15 as a positive amount. Otherwise, enter 0.* . . . . . .

6. *If line 4 is less than or equal to line 5, enter line 4 here and in Schedule B, line 32 and in Schedule D, line 16. If line 4 is larger than line 5, enter line 5 here and in Schedule B, line 32 and in Schedule D, line 16.* . . . . . .

Line 36. Excess Exemptions

Enter the amount from line 5 of the Schedule B, Line 36 and Schedule D, Line 20 Worksheet on page 16 (only if single, head of household or married filing a joint return and Form 1-NR/PY, line 22 is greater than Form 1-NR/PY, line 21).

Line 39. Total Taxable 8.5% and 12% Capital Gains

Schedule B, Line 39 Worksheet

Complete only if reporting an amount in Schedule B, Part 2, line 11. If no entry in Schedule B, Part 2, line 11, omit this worksheet and report the amount from Schedule B, line 39 on Form 1-NR/PY, line 27a, 8.5% Income.

1. *Total taxable gains from Schedule B, line 39* . . . . . .

2. *Long-term gains deductions from Schedule B, line 27 less the amount on Schedule B, line 36. Not less than 0.* . . . . . .

3. *Enter the smaller of line 1 or line 2. Enter result here and on Form 1-NR/PY, line 27b, 12% Income* . . . . . .

4. *Subtract line 3 from line 1. Enter result here and on Form 1-NR/PY, line 27a, 8.5% Income* . . . . .

Schedule D

Note: If showing a loss, be sure to mark over the X in the box to the left. Also, be sure to enclose with Form 1-NR/PY.

Long-Term Capital Gains and Losses Excluding Collectibles

You must complete Massachusetts Schedule D if you had long-term gains or losses 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. If you did not file U.S. Schedule D but are reporting capital gain distributions on U.S. Form 1040, line 7a, you must complete Massachusetts Schedule D (see line 6 instructions). 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.

The law defines capital gain income as gain from the sale or exchange of a capital asset. The definition of capital asset includes:

- An asset which is a capital asset under IRC § 1221; or
- Property that is used in a trade or business within the meaning of IRC § 1231(b) without regard to the holding period as defined in said § 1231(b).

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

Differences

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

- IRC § 1244 losses reported as ordinary losses on your U.S. return must be reported on Massachusetts Schedule D;
- If you made a federal election under § 311 of the Tax Relief Act of 1997 to recognize gain on the deemed sale of a capital asset held on January 1, 2001, Massachusetts does not follow the federal rules at § 311 for determining the basis of the asset. See TIR 02-3. If you sold a capital asset in 2025 for which you made a federal § 311 election, the Massachusetts initial basis will not be the federal basis. The Massachusetts initial basis will be determined as of the date the asset was first acquired;
- Upon the sale of stock of an S corporation, the federal basis must be modified according to 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.

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. 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 that are classified as capital gains included on Massachusetts Schedule D, line 4 should be reported on Massachusetts Schedule D, line 12 (Long-term gains on collectibles and pre-1996 installment sales). The amount of such gain is then reported on Massachusetts Schedule B, Part 2, line 11.

Gains from pre-1996 installment sales classified as ordinary income and that are included on Massachusetts Schedule D, line 4 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 1-NR/PY, line 11 (Other income) and included on Schedule X, line 4 and identified as 2025 gain from pre-1996 installment sale.

Note: If you are reporting an installment sale occurring on or after January 1, 2003, report those gains on Schedule D. If you are reporting capital gains on installment sales that occurred during January 1, 1996 through December 31, 2002, do not file Schedule D. Instead, you must file Schedule D-IS, Installment Sales. Schedule D-IS can be obtained on DOR's website at mass.gov/dor.

Effective for sales on or after January 1, 2005, if you wish to report a sale on your Massachusetts return as an installment sale and the Massachusetts gain is $1 million or greater, you must apply in writing to DOR's Installment Sales Unit. See TIR 04-28. 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.

Exclusion of Gains from the Sale of Qualified Small Business (QSB) Stock or Reduced Capital Gains Tax Rate for Gains from the Sale of Stock in Certain Massachusetts-Based Start-Up Corporations

Massachusetts excludes from gross income 100% of gain on sales or exchanges of qualified small business (QSB) stock held for more than 5 years to the same extent as allowed under IRC § 1202, as amended and in effect on January 1, 2024. The exclusion applies to gain on QSB stock acquired on or after September 27, 2010. See TIR 23-5 for more information.

Note: Massachusetts does not conform to the expansion of the exclusion made by Public Law 119-21. See Working Draft TIR: Massachusetts Conformity to Certain Provisions in Public Law No. 119-21.

In addition, gains derived from the sale of investments in small businesses which do not qualify for the above exclusion may be eligible for a reduced tax rate of 3%. In order to qualify for the 3% rate, investments must have been made within five years of the corporation's date of incorporation and must be in stock that generally satisfies the definition of QSB stock under IRC § 1202 (c), other than the requirement that the stock be stock of a C corporation. In addition, the stock must be held for three years or more and the investments must be in a corporation which:

- Is domiciled in Massachusetts;
- Is incorporated on or after January 1, 2011;
- Has less than $50 million in assets at the time of investment; and
- Complies with applicable portions of the active business requirements of § 1202 of the IRC, i.e., §§ 1202 (e)(1), (e)(2), (e)(5), and (e)(6).

Note: If you are reporting a sale of stock in a certain Massachusetts-based start-up corporation(s), do not file Schedule D. Instead, you must report that gain(s) on Schedule D-IS, Installment Sales or qualified small business stock gains. Schedule D-IS can be obtained on DOR's website at mass.gov/dor.

Long-Term Capital Gains and Losses, Excluding Collectibles

Line 1. Long-Term Capital Gains and Losses

Enter the gain or loss from U.S. Schedule D, lines 8a and 8b, column h.

Line 2. Long-Term Capital Gains and Losses

Enter the gain or loss from U.S. Schedule D, line 9, column h.

Line 3. Long-Term Capital Gains and Losses

Enter the gain or loss from U.S. Schedule D, line 10, column h.

Line 4. Gain from Sales of Business Property and Other Long-Term Gains and Losses

Enter the gain or loss from U.S. Schedule D, line 11, column h.

Line 5. Net Long-Term Gain or Loss from Partnerships, S Corporations, Estates and Trusts

Enter the gain or loss from U.S. Schedule D, line 12, column h.

Line 6. Capital Gain Distributions

If you did not file U.S. Schedule D, enter the capital gain distributions reported to you by a mutual fund or real estate investment trust from U.S. Form 1040, line 7a.

If you did file a U.S. Schedule D, enter the capital gain distributions reported to you by a mutual fund or real estate investment trust from U.S. Schedule D, line 13, column h.

Line 7. Massachusetts Long-Term Capital Gains and Losses from U.S. Form 4797, Part II

Enter amounts from U.S. Form 4797, Part II treated as capital gains or losses for Massachusetts purposes (not included in lines 1 through 6). These include ordinary gains from the sale of 1231 property, recapture amounts under §§ 1245, 1250 and 1255, § 1244 losses and the loss on the sale, exchange or involuntary conversion of property used in a trade or business not held for one year or less.

Line 8. Massachusetts Carryover Losses from Previous Years

If you have a carryover loss from a prior year, enter in line 8 the total amount of Massachusetts carryover losses from your 2024 Massachusetts Schedule D, line 23.

Line 10a. Massachusetts Adjustments

Enter any differences between the gains or losses reportable for Massachusetts tax purposes and the U.S. gains or losses reported in Massachusetts Schedule D, lines 1 through 8. Differences include:

- Pre-1996 installment sales classified as ordinary income for Massachusetts purposes;
- Long-term capital gains or losses from transactions reported as installment sales for U.S. income tax purposes but not for Massachusetts (**Note:** Income and gain transactions should be reported as positive and loss transactions should be reported as negative in line 10a.); and
- Massachusetts has adopted basis adjustment rules to take into account differences between Massachusetts and federal tax laws (**Note:** Massachusetts basis adjustment increases should be reported as negative and Massachusetts basis adjustment decreases should be reported as positive in line 10a).

Line 10b. Part-year/nonresident only.

Enter non-Massachusetts source adjustments.

Nonresidents. Enter in line 10b any long-term capital gains and losses included on Schedule D,

lines 1 through 8 which are not Massachusetts source income and thus not taxable to you as a nonresident. A nonresident's capital gains and losses are subject to tax if the gain or loss resulted from the sale or exchange of property connected with a Massachusetts trade or business or from the ownership of real or tangible personal property located in Massachusetts.

Part-year residents. Enter in line 10b any long-term capital gains or losses included on Schedule D, lines 1 through 8 that occurred while you were domiciled in another state or country during the taxable year.

Line 11. Massachusetts Capital Gains and Losses

Exclude/subtract line 10c from line 9 and enter the result in line 11.

- If line 9 is positive and line 10c is positive, subtract line 10c from line 9.
- If line 9 is positive and line 10c is negative, add line 10c as a positive value to line 9 If line 9 is negative and line 10c is negative, subtract line 10c from line 9.
- If line 9 is negative and line 10c is positive, add line 10c as a negative value to line 9.

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

Enter in line 12 the amount of long-term gains on collectibles and pre-1996 installment sales classified as capital gain income for Massachusetts purposes that are included in line 11.

Long-term gains on collectibles and pre-1996 installment sales classified as capital gain income for Massachusetts purposes are taxed at the 12% rate and should be entered on Schedule B, line 11.

Collectibles are defined as any capital asset that is a collectible within the meaning of IRC § 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 13. Subtotal

Subtract line 12 from line 11 and enter the result in line 13.

If Schedule D, line 13 is a loss and Schedule B, line 21 is less than 0, omit Schedule D, lines 14 through 16, enter the amount from Schedule D, line 13 in Schedule D, line 17, omit Schedule D, lines 18 through 22 and enter the amount from Schedule D, line 17 in Schedule D, line 23, and enter 0 on Form 1-NR/PY, line 28.

If Schedule D, line 13 is a gain and Schedule B, line 21 is a loss, go to Schedule D, line 14.

If Schedule D, line 13 is a loss and Schedule B, line 24 is 0 or greater, go to Schedule D, line 14.

If Schedule D, line 13 is a gain, and Schedule B, line 24 is 0 or greater, omit Schedule D, lines 14 through 16 and enter the amount from Schedule D, line 13 in Schedule D, line 17.

Line 14. Capital Losses Applied Against Capital Gains

If Schedule D, line 13 is a positive amount and Schedule B, line 21 is a loss, enter the smaller of Schedule D, line 13 or Schedule B, line 21 (considered as a positive amount) in Schedule D, line 14 and in Schedule B, line 22.

If Schedule D, line 13 is a loss and Schedule B, line 24 is a positive amount, enter the smaller of Schedule D, line 13 (considered as a positive amount) or Schedule B, line 24 in Schedule D, line 14 and in Schedule B, line 25.

Line 15. Subtotal

If line 13 is greater than 0, subtract line 14 from line 13. If line 13 is less than 0, combine lines 13 and 14.

If Schedule D, line 15 is a loss and Schedule B, line 24 is 0 or greater and Schedule B, line 31 is a positive amount, go to Schedule D, line 16.

If Schedule D, line 15 is a loss, and Schedule B, line 21 is 0 or less, omit Schedule D, line 16, enter the amount from Schedule D, line 15 in Schedule D, line 17, omit Schedule D, lines 18 through 22 and enter the amount from Schedule D, line 17 in Schedule D, line 23, and enter 0 on Form 1-NR/PY, line 28.

Line 16. Long-Term Capital Losses Applied Against Interest and Dividends

If Schedule D, line 15 is a loss, and Schedule B, line 24 is 0 or greater and Schedule B, line 31 is a positive amount, complete the Long-Term Capital Losses Applied Against Interest and Dividends Worksheet for Schedule B, Line 32 and Schedule D, Line 16 on page 32.

Line 17. Subtotal

Combine line 15 and line 16. If Schedule D, line 17 is 0, enter 0 in lines 18 through 21 and omit lines 22 and 23. If Schedule D, line 17 is a loss, omit lines 18 through 22 and enter the amount from line 17 in line 23.

Line 18. Allowable Deductions From Your Trade or Business

Enter the appropriate amount from Massachusetts Schedule C-2 if you qualify for an excess trade or business deduction. Generally, taxpayers may not use excess 5.0% deductions to offset other income. However, where the taxpayer files a Massachusetts Schedule C or Schedule E, Massachusetts law allows such offsets if the following requirements are met: the excess 5.0% deductions must be adjusted gross income deductions allowed under MGL ch 62, § 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 or business or any other income allowed under IRC, § 469(d)(1)(B) to offset losses from passive activities.

Line 20. Excess Exemptions

Enter in line 20 the amount from line 8 of the Schedule B, Line 36 and Schedule D, Line 20 Worksheet on page 16 (only if single, head of household or married filing joint return).

Line 22. Tax On Long-Term Capital Gains

Multiply line 21 by 0.05 and enter the result here and in Form 1-NR/PY, line 28.

Note: If choosing the optional 5.85% tax rate, multiply line 21 by 0.0585 and enter the result here and in Form 1-NR/PY, line 28.

Schedule C

Note: Only report income and expenses derived from or effectively connected with any trade, business, or employment carried on in Massachusetts. For more information, see **What is Massachusetts Source Income for Nonresidents?** and **Am I Carrying on a Trade, Business or Employment in Massachusetts as a Nonresident?**

If the exact Massachusetts amount is not known, complete Form 1-NR/PY Line 13, Nonresident Apportionment Worksheet.

Note: If showing a loss, be sure to mark over the X in the box to the left. Also, be sure to enclose with Form 1-NR/PY.

Substituting U.S. Schedule C

U.S. Schedule C is not allowed as a substitute for Massachusetts Schedule C.

Profit or Loss from Business or Profession

Massachusetts Schedule C is provided to report income and deductions from each business or profession operated as a sole proprietorship.

If your business deductions, excluding the Abandoned Building Renovation Deduction, exceed Schedule C income and any other income taxable at the 5.0% rate, such excess deductions may be subtracted from the other income that is effectively connected with the active conduct of your trade or business and any other income allowed under IRC § 469(d)(1)(B) to offset losses from passive activities. To compute the excess trade or business deductions use Massachusetts Schedule C-2. This form is available by visiting mass.gov/dor, or you may have one mailed to you by calling (617) 887-6367.

Registration Information
In the space provided, describe the business or professional activity that provided your principal source of income reported on line 1. If you owned more than one business, you must complete a separate Schedule C for each business. Give the general field or activity and the type of product or service.

Employer Identification Number
You need an Employer Identification number (EIN) only if you had a Keogh plan, were required to file an employment, excise, estate, trust, or alcohol, tobacco and firearms tax return or employ contract labor. If you do not have an EIN, leave the line blank. Do not enter your Social Security number.

Accounting Method
If you filed a return on the accrual basis last year, your return for this year must be on the same basis. If a taxpayer requesting permission to change an accounting method for Massachusetts purposes is eligible for an automatic change of accounting method federally, and has correctly followed the most recently issued federal revenue procedure for requesting an automatic change, then the taxpayer should file his/her annual return using the new method and write at the top, "Automatic Change of Accounting Method — filed in compliance with DD 02-13." The taxpayer should enclose a copy of U.S. Form 3115, together with any required statements. See DD 02-13 for further information. See also, TIR 19-6: Impact of the Federal Tax Cuts and Jobs Act on a Taxpayer's Overall Method of Accounting for Massachusetts Purposes.

Material Participation
Indicate if you materially participated in the operation of this business during 2025. If you did not materially participate and have a loss from this business, see line 33 for further instructions.

Started or Acquired this Business
Indicate if you started or acquired this business in 2025. Also, fill in the oval if you are reopening or restarting this business after temporarily closing it, and you did not file a 2024 Schedule C for this business.

Suspended Passive-Activity Loss
Indicate if you have any suspended passive-activity losses that relate to the schedule being completed. See TIR 89-2 for further information and line 36 instructions.

Small Business Energy Exemption
If you are claiming the small business energy exemption from the sales tax on purchases of taxable energy or heating fuel during 2025, you must have five or fewer employees. You must enter the number of your employees in the space provided.

Statutory Employee
If you received a Form W-2 and the "Statutory employee" box in item 13 of that form was checked, report your income and expenses related to that income on Schedule C. Enter your statutory employee income from box 1 of Form W-2 on line 1a of Schedule C and fill in the oval. Statutory employees include full-time life insurance agents, certain agent or commission drivers and traveling salespersons and certain homeworkers. If you had both self-employment income and statutory employee income, do not combine these amounts on a single Schedule C. In this case, you must file separate Schedule Cs.

Interest (other than from Massachusetts banks) and Dividend Income
If you have interest (other than from Massachusetts banks) and dividend income reported on U.S. Schedule C, lines 1 and/or 6, fill in the oval and enter that amount in the space provided and in Massachusetts Schedule B, line 3. Do not include such amounts on Massachusetts Schedule C, lines 1 and/or 4. If you are not required to file Schedule B (see Schedule B instructions), enter this income on Form 1-NR/PY, line 24. Examples of interest (other than from Massachusetts banks) and dividend income are interest received on loans, notes receivable or charge accounts that you accept in the ordinary course of business, and dividends on stocks received in payment for goods and services. Capital gains from the sale or exchange of assets used in your business are not reported on Schedule C. Use U.S. Form 4797 and report the amount in Form 1-NR/PY, Schedule B and/or Schedule D. You must also exclude from Schedule C any income and expenses that pertain to activities for yourself as distinguished from those performed for your customers. Such income must be reported by class of income in Schedules B and D. Personal expenses are not deductible.

Line 1a. Gross Receipts or Sales
In the boxes provided, enter gross receipts or sales from your business. Be sure to include on this line amounts you received in your trade or business as shown on Form 1099-MISC, Miscellaneous Income. If the nature of your business is such that you have gross or other income that is interest (other than from Massachusetts banks) and dividend income, exclude this income from lines 1 and 4 on Massachusetts Schedule C and include it in the space provided and in Schedule B, line 3.

Note: To determine if you need to file Schedule B, refer to the Schedule B instructions in this booklet.

Line 4. Other Income
If you received bartering income, you must report the fair market value of goods or services received in payment for your goods and services in line 4. Do not include interest income (other than from Massachusetts banks) and dividends here.

Line 7. Bad Debts From Sales or Services
Include debts and partial debts from sales or services that were included in income and are definitely known to be worthless. If you later collect a debt that you deducted as a bad debt, include it as income in the year collected.

Note: Cash method taxpayers cannot take a bad debt deduction unless the amount was previously included in income.

Line 9. Commissions, Fees and Contract Labor
Line 9a. Commissions and Fees
Enter the total commissions and fees for the tax year. Do not include commissions or fees that are capitalized or deducted elsewhere on your return.

Line 9b. Contract Labor
Enter the total cost of contract labor for the tax year. Contract labor includes payments to persons you do not treat as employees (for example, independent contractors) for services performed for your trade or business. Do not include contract labor deducted elsewhere on your return, such as contract labor included on line 15, 19, 25, or Schedule C-1, line 3. Also, do not include salaries and wages paid to your employees; instead, see Line 25, later.

Line 11. Depreciation and § 179 Deduction (***)
Massachusetts does not adopt the federal IRC § 168(n) special depreciation allowance. Taxpayers should ensure they use available depreciation methods available under Massachusetts law.

Massachusetts does not adopt the current maximum limits of the federal IRC § 179 expense deduction. The maximum § 179 expense allowance is $1,250,000. Note, the deduction phases out at $3,130,000.

Line 14b. Other Interest Limitation on Business Interest Deduction § 163(j) (***)
Taxpayers should take the Massachusetts limitation into account when calculating the amount of interest entered on Line 14b. Massachusetts does not adopt the change to the federal adjusted taxable income definition in IRC § 163(j)(8) for the 2025 and 2026 tax years. For purposes of determining the allowable deduction taxpayers should not apply the federal limit. Instead, taxpayers should calculate their Massachusetts adjusted taxable income limit based on the rules in effect for the 2024 tax year.

Line 17. Pension and Profit-Sharing Plans
Enter your deduction for contributions to a pension, profit-sharing or annuity plan, or plans for the benefit of your employees. If the plan includes

you as a self-employed person, do not include contributions made as an employer on your behalf. See DD 08-3 for more information.

Line 22. Travel

Enter your expenses for lodging and transportation connected with overnight travel for business while away from your tax home. Generally, your tax home is your main place of business regardless of where you maintain your family home. You cannot deduct expenses paid or incurred in connection with employment away from home if that period of employment exceeds one year. Spouse's and other family members' travel expenses are generally disallowed as a business deduction.

Do not include expenses for meals and entertainment on this line. Instead, see the instructions for lines 23a and 23b.

Line 23. Deductible Meals

Your deductible business meal expenses are a percentage of your actual business meal expenses. Include meals while traveling away from home for business. Instead of the actual cost of your meals while traveling away from home, you may use the standard meal allowance. Business meal expenses are deductible only if they are:

- Directly related to or associated with the conduct of your trade or business;
- Not lavish or extravagant; and
- Incurred while you or your employee is present at the meal.

Generally, you may deduct only 50% of your business meal expenses, including meals incurred while traveling away from home on business.

Business meals are 100% deductible if:

- The meals and incidentals are furnished or reimbursed to an employee if you properly treat the expense as wages subject to withholding; and
- The meals and incidentals are provided to a nonemployee to the extent the expenses are includible in the gross income of that person and reported on Form 1099-NEC.

For individuals subject to the Department of Transportation (DOT) hours of service limits, the percentage is 80% of business meals consumed during, or incident to, any period of duty for which those limits are in effect.

Daycare providers can deduct 100% of the actual cost of food consumed by daycare recipients.

Providers who qualify as family daycare providers may use the standard meal and snack rates to compute their deductible meals and snacks.

Figure how much of your business meal expenses are subject to limitations, add that amount to your fully deductible meals amount and enter the result in line 23 of Massachusetts Schedule C.

Schedule C, Line 23 Worksheet

1. *100% deductible meals . .*	
2. *80% deductible meals . . .*	
3. *50% deductible meals . . .*	
4. *Total deductible meals. Add lines 1 through 3 Enter here and on Schedule C, line 23 . . . . . .*	

Line 26. Other Expenses

Domestic Research and Experimental Expense Deduction (***)

Massachusetts does not adopt the IRC § 174A domestic research and experimental expense deduction. For Massachusetts purposes, all research and experimental costs must be capitalized and recovered through amortization deductions. If a taxpayer includes expenses deducted under IRC § 174A on the U.S. Form 1040, Schedule C, Line 27b, the taxpayer should adjust Line 26 by subtracting the amount of the federal domestic research and experimental expense deduction from the cumulative amount of other expenses on Line 26. If this results in the amount on Line 26 being zero the taxpayer should report zero on Line 26. If this results in the amount on Line 26 being a negative number the taxpayer should report zero on Line 26 and add the remaining amount of the immediate domestic research and experimental expenses to Schedule X on line 4: Fees and Other 5.0% income.

Ordinary and Necessary Business Expense Deductions Available for Licensed Massachusetts Marijuana Businesses

IRC § 280E prohibits marijuana businesses from deducting business expenses and claiming tax credits for federal tax purposes. Effective for taxable years beginning on or after January 1, 2022, Massachusetts decoupled from the IRC § 280E deduction disallowance with respect to licensed marijuana businesses only. As a result, for Massachusetts tax purposes, a licensed Massachusetts marijuana business can deduct ordinary and necessary business expenses that would otherwise be disallowed under IRC § 280E.

These ordinary and necessary trade or business expenses should be included on Schedule C, line 26 "Other expenses."

Line 30. Abandoned Building Renovation Deduction

Massachusetts allows businesses to deduct 10% of the costs incurred in renovating certain buildings located in an Economic Opportunity Area (EOA). The buildings must be designated as abandoned 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 more information, contact the Massachusetts Office of Business Development by calling (617) 973-8600.

In line 30 enter 10% of the costs of renovating a qualifying abandoned building.

Line 32. Deductible Loss.

If line 31 is a loss do not enter the loss in line 32 until you have applied the at-risk rules and the passive-activity loss rules. (For the at-risk rules, see instructions for line 33. For the passive-activity loss rules, see instructions for U.S. Form 8582.) The amount on line 32 will be your deductible loss; note that it might be smaller than the line 31 loss.

Line 33. If You Have a Loss

Fill in the oval in line 33a if all of your investment is at risk. Enter your loss from line 31 on line 32. If you did not fill in the oval to this question, complete a pro forma copy of U.S. Form 8582 that reflects only income being reported on your Massachusetts return. Enter in Massachusetts Schedule C, line 32 your allowable loss calculated on Form 8582.

Fill in the oval in line 33b if only some of your investment is at risk. To determine the amount of your allowable loss, complete a pro forma copy of U.S. Form 6198 that reflects only income being reported on your Massachusetts return. Enter the amount calculated on U.S. Form 6198 in line 32 If you did not materially participate in the operation of this business, your loss is further limited. Use the amounts calculated on your pro forma U.S. Form 6198 to complete a pro forma U.S. Form 8582. If your at-risk amount is 0 or less, enter 0 in line 32.

Line 35. Total Profit or Loss.

If line 31 is a profit enter the amount from line 34. If line 31 is a loss enter the amount from line 32.

Line 36. Allowable Prior-Year Suspended Passive-Activity Losses

If your gross income is more than your expenses and you do not have prior-year unallowed passive-activity losses (PAL), enter 0 in line 36.

If your gross income is more than your expenses and you have prior-year unallowed PAL, calculate the amount of Massachusetts prior-year unallowed PAL claimable for this activity. Use a pro forma version of U.S. Form 8582 to calculate the amount of eligible Massachusetts prior-year unallowed PAL. If you are claiming prior-year PAL, enter the amount of those allowable prior-year suspended PAL you are applying in line 36.

Schedule R/NR

Part 1. Income Adjustments

Column A

Enter the amount of income reported on your federal return as modified as if it were received by a full-year Massachusetts resident. Refer to each specific line instruction for Form 1-NR/PY to determine income that should be added to or subtracted from the federal total.

Column B

Enter the amount of income from column A that you received while a Massachusetts resident.

Column C

Enter the amount of income from column A from both Massachusetts and non-Massachusetts sources that you received while a nonresident.

Column D

Enter the amount of income from column C from Massachusetts sources that you received while a nonresident.

See the instructions for a definition of Massachusetts source income.

Refer to each specific line instruction for Form 1-NR/PY to determine the income from Massachusetts sources received during your nonresident period. Also see Form 1-NR/PY, line 13 instruction for those nonresidents eligible to apportion income.

If you received income from a business/profession reported on a Schedule C, while a Massachusetts resident and from Massachusetts sources while a nonresident, you must complete a separate Massachusetts Schedule C for each period.

Column E

Add column B and column D. This is your total income received while a Massachusetts resident and received from Massachusetts sources while a nonresident. Enter the amount from column E in each applicable line on Form 1-NR/PY (see separate instruction for Schedule D).

Subtract the total of column D from column C and enter the result in line 14e of Form 1-NR/PY. This is the additional income that you received from non-Massachusetts sources that would have been reported by you if you had been a Massachusetts resident.

Add Form 1-NR/PY lines 5 through 12 and complete Form 1-NR/PY line 14 before completing the rest of this worksheet.

Schedule D

Enter in column A the amount from Schedule D, line 9 combined with Schedule D, line 10c. Enter in column B the amount of income from column A that you received while a Massachusetts resident. Subtract Column B from Column A and enter the result in column C. Enter the amount of income from column C from Massachusetts sources that you received while nonresident. Combined columns B and D and enter the result in column E. Complete Schedule D as otherwise instructed.

Part 2. Deduction and Exemption Adjustments

Schedule Y, line 9 is adjusted both in sections A and B. See Schedule R/NR to determine which amounts are adjusted in section A and section B.

Section A

Lines 15a and 15b

The amounts reported in column A must be related to income reported in Part 1, column B. The amounts reported in column B must be related to income reported in Part 1, column D. The column C total cannot exceed $2,000.

Schedule Y, line 2

The amounts reported in column A must be related to income reported in Part 1, column B or on a previous Massachusetts return. The amounts reported in column B must be related to income reported in Part 1, column D or on a previous Massachusetts return.

Schedule Y, line 4

The amounts reported in column A must be related to income reported in Part 1, line 5, column B. The amounts reported in column B must be related to income reported in Part 1, line 5, column D.

Schedule Y, line 5

The amounts reported in column A must be related to income reported in Part 1, line 5, column B. The amounts reported in column B must be related to income reported in Part 1, line 5, column D.

Schedule Y, line 7

The amounts reported in column A must be related to income reported in Part 1, line 8, column B. The amounts reported in column B must be related to income reported in Part 1, line 8, column D.

Schedule Y, line 9

The amounts reported in column A must be related to income reported in Part 1, column B. The amounts reported in column B must be related to income reported in Part 1, column D.

Note: If you are claiming a deduction for attorney's fees and court costs involving certain unlawful discrimination suits (Schedule Y, line 9), the part-year resident portion of the deduction must be directly related to Massachusetts income as reported on Form 1-NR/PY, line 12 and should be included on section A of Schedule R/NR. For the nonresident portion of the deduction, taxpayers must use section B of Schedule R/NR to determine the amount of the deduction, only if it is directly related to Massachusetts income as reported on Form 1-NR/PY, line 12. If it is not directly related to income reported on Form 1-NR/PY, you are not allowed any deduction for the nonresident period.

Schedule Y, line 13

The amounts reported in column A must be related to income reported in Part 1, line 6, column B. The amounts reported in column B must be related to income reported in Part 1, line 6, column D.

Schedule Y, line 14

The amounts reported in columns A and B must be related to income previously reported on Form 1 or Form 1-NR/PY.

Schedule Y, line 17

The amounts reported in column A must be related to income reported in Part 1, line 11, column B. The amounts reported in column B must be related to income reported in Part 1, line 11, column D.

Column C

Add column A and column B and enter the total in each applicable line of Form 1-NR/PY or Schedule Y.

Line 22

In column A enter the amount from Form 1-NR/PY, line 4g. Multiply the column A amount by Form 1-NR/PY, line 3 and enter the result in column B. Subtract the amount in column B from column A and enter the result in column C. Multiply the column C amount by Form 1-NR/PY, line 14g and enter the result in column D. Add column B and column D and enter the result in column E and in Form 1-NR/PY, line 22.

Schedule Y, line 3

In column A enter the total deductible alimony paid to your former spouse as reported on U.S. Form 1040, Schedule 1, line 19a. In column B enter the amount from column A paid while you were a Massachusetts resident. Subtract the column B amount from the column A amount and enter the result in column C. Multiply the column C amount by Form 1-NR/PY, line 14g and enter the result in column D. Add column B and column D and enter the total in column E and in Form 1-NR/PY, Schedule Y, line 3.

Schedule Y, line 6

In column A enter the total medical savings account deduction included in U.S. Form 1040, Schedule 1, line 23. Multiply the column A amount by Form 1-NR/PY, line 3 and enter the result in column B. Subtract the column B amount from the column A amount and enter the result in column C. Multiply the column C amount by Form 1-NR/PY, line 14g and enter the result in column D. Add column B and D and enter the total in column E and in Form 1-NR/PY, Schedule Y, line 6.

Schedule Y, line 8

In column A enter the total health savings account deduction from U.S. Form 1040, Schedule 1, line 13. Multiply the column A amount by Form 1-NR/PY, line 3 and enter the result in column B. Subtract the column B amount from the column A amount and enter the result in column C. Multiply the column C amount by Form 1-NR/PY, line 14g and enter the result in column D. Add column B and D and enter the total in column E and in Form 1-NR/PY, Schedule Y, line 8.

Schedule Y, line 9

In column A enter any amount included in U.S. Form 1040, Schedule 1, line 24 for attorney's fees and court costs involving certain unlawful discrimination claims (part-year residents and nonresidents, see note). Multiply the column A amount by Form 1-NR/PY, line 3. Subtract the column B amount from the column A amount and enter the result in column C. Multiply the column C amount by Form 1-NR/PY, line 14g and enter the result in column D. Add column B and column D and enter the total in column E and in Form 1-NR/PY, Schedule Y, line 9.

Note: If you are claiming a deduction for attorney's fees and court costs involving certain unlawful discrimination suits (Schedule Y, line 9), the part-year resident portion of the deduction must be directly related to Massachusetts income as reported on Form 1-NR/PY, line 12 and should be included on section A of Schedule R/NR. For the nonresident portion of the deduction, taxpayers must use section B of Schedule R/NR to determine the amount of the deduction, only if it is directly related to Massachusetts income as reported on Form 1-NR/PY, line 12. If it is not directly related to income reported on Form 1-NR/PY, you are not allowed any deduction for the nonresident period.

Schedule Y, line 10

In column A enter the total student loan interest deduction from U.S. Form 1040, Schedule 1, line 21. Multiply the column A amount by Form 1-NR/PY, line 3. Subtract the column B amount from the column A amount and enter the result in column C. Multiply the column C amount by Form 1-NR/PY, line 14g and enter the result in column D. Add column B and D and enter the total in column E and in Form 1-NR/PY, Schedule Y, line 10.

Schedule Y, Line 12

In column A enter the amount of interest paid on an undergraduate student loan(s) (see Schedule Y, line 12 instructions). Multiply the amount in column A by Form 1-NR/PY, line 3 and enter the result in column B. Subtract the amount in column B from column A and enter the result in column C. Multiply the column C amount by Form 1-NR/PY, line 14g and enter the result in column D. Add column B and column D and enter the result in column E and in Schedule Y, line 12.

Schedule Y, Line 15

Complete the Schedule Y, Line 15 Worksheet through item 6 and enter that amount in column A (see Schedule Y, line 15 instructions). Multiply the amount in column A by Form 1-NR/PY, line 3 and enter the result in column B. Subtract the amount in column B from column A and enter the result in column C. Multiply the column C amount by Form 1-NR/PY, line 14g and enter the result in column D. Add column B and column D and enter the result in column E and in Schedule Y, line 15.

Schedule Y, Line 18

In column A enter the allowable amount of prepaid tuition or college savings plan or Student Loan Repayment Assistance Deduction (see Schedule Y, line 18 instructions). Multiply the amount in column A by Form 1-NR/PY, line 3 and enter the result in column B. Subtract the amount in column B from column A and enter the result in column C. Multiply the column C amount by Form 1-NR/PY, line 14g and enter the result in column D. Add column B and column D and enter the result in column E and in Schedule Y, line 18.

Completing Form 1-NR/PY

After entering the amounts from this worksheet in the applicable lines of Form 1-NR/PY, complete Form 1-NR/PY, lines 28 through 59.

Note: In Form 1-NR/PY, line 42, only enter amounts listed as Massachusetts withholding.

Credit for Taxes Due Any Other State

You may only claim a credit for income taxes paid to another state or jurisdiction on income received while a Massachusetts resident that is included in Schedule R/NR, Part 1, column b. Complete the Income Taxes Paid to Another Jurisdiction Worksheet based on income received during your Massachusetts resident period only.

Schedule 62-WH

Be sure to enclose with Form 1.

Massachusetts Personal Income Tax Withholding

Taxpayers with Massachusetts withholding from sources other than Form W-2 must complete this schedule. Report only withholding from Massachusetts sources. Enter the amounts reported to you on Forms 1099, PWH-WA, W-2G, 2G, Schedule K-1s and Form NRW in the appropriate section. Complete all applicable sections and columns. Full-year residents, see Form 1 instruc`-Form 1-NR/PY instructions. If you are filing Form 2, Form M-990T-62, or Form MA-NRCR, see respective instructions.

Note: Be sure to submit Schedule 62-WH with your return. Failure to do so may delay the processing of your return. Enclose with your return all state copies of your Forms 1099, PWH-WA, W-2G, 2G, Schedule K-1s, Form NRW and any form(s) which include Massachusetts withholding.

Part 1: Withholding from Form(s) 1099 or Form (s) PWH WA

If you received a Form 1099 showing Massachusetts income tax withheld on retirement income, dividends, taxable or tax-exempt interest income, unemployment compensation, or other income you received, include the name in line 1a, the ID number in line 1b and the amount withheld in line 1c. Continue reporting information from each Form 1099 on lines 2 through 4.

If you received a Form PWH WA showing Massachusetts income tax withheld, complete the lines in the same way as done for Form 1099.

If you have withholding from more than four forms, complete the Schedule 62-WH Continuation Sheet on page 2. Be sure to identify the source (1099 or PWH-WA) in the first column of page 2 entitled Massachusetts source. Add the Massachusetts income tax withheld from Forms 1099 and PWH-WA and report the total on line 15a. Add the amount from line 15a to the total on page 1, Part 1, line 5.

Include the total from Schedule 62-WH, Part 1, line 5 on Form 1, line 38b; Form 1-NR/PY, line 42b; Form 2, line 50; Form M-990T-62, line 36; or Form MA-NRCR line 17.

Part 2: Withholding from Form(s) W-2G, 2G, or Mass-achusetts K-1 Schedule(s) (2K-1, 3K-1, or SK-1)

If you received a W-2G, 2G, or Massachusetts K-1 showing Massachusetts income tax withheld, include the name in Part 2, line 1a, the ID number in line 1b and the amount withheld in line 1c. Continue reporting information from each form on lines 2 through 4.

If you have withholding from more than four forms, complete the Schedule 62-WH continuation sheet on page 2. Be sure to identify the source (W-2G, 2G, or Massachusetts K-1) in the first column of page 2 entitled Massachusetts source. Add the Massachusetts income tax withheld on these forms and report the total on line 15b.

Add the amount from line 15b to the total on page 1, Part 2, line 5. Include the total from Schedule 62-WH, Part 2, line 5 on Form 1, line 38c; Form 1-NR/PY, line 42c; Form 2, line 50; Form M-990T-62, line 36; or Form MA-NRCR, line 17.

Part 3: Withholding from Form(s) NRW (Real Estate Withholding)

Note: Non-resident trusts that sell real estate located in Massachusetts are subject to withholding based on the sales price or net gain from such sales. See 830 CMR 62B.2.4.

If you received a Form NRW showing Massachusetts income tax withheld on Real Estate Sales, include the Withholding Agent name in line 1a, the Withholding Agent Account ID number in line 1b and the amount withheld in line 1c. Continue reporting information from each form on lines 2 through 4.

If you have withholding from more than four forms, complete the Schedule 62-WH continuation sheet on page 2. Be sure to identify the source (NRW) in the first column of page 2 entitled Massachusetts source. Add the Massachusetts income tax withheld on Form NRW and report the total on line 15c. Add the amount from line 15c to the total on page 1, Part 3, line 5.

Include the total from Schedule 62-WH, Part 3, line 5 on Form 1 line 50; Form 1-NR/PY, line 54; Form 2, line 50; Form M-990T-62, line 36; or Form MA-NRCR, line 17.

Schedule CMS

Be sure to enclose with Form 1-NR/PY.

Credit Manager Schedule

You must complete Schedule CMS to claim most credits available for use in the current taxable year (the Child under age 13, Dependent member(s) of household under 12, Earned Income, Limited Income and Circuit Breaker Tax credits are claimed directly on the tax return). Credits may be used to offset a tax due, may be passed or shared with another person or entity, or, in some cases credits may be fully or partially refundable.

For each credit claimed on a Schedule CMS, report the amount of the credit available for use and the amount of credit claimed to reduce tax for the current taxable year. For pass-through entities, report the amount of credit distributed to partners/shareholders/beneficiaries in the credit shared column. Taxpayers also report the amount of a refundable credit they are using to request a refund of tax. See the Credit Manager Schedule Instructions for more information on how to complete the Schedule CMS and claim the credits.

Credits reported on the Schedule CMS are generally identified either by a certificate number assigned by the issuing agency (which may be the Department of Revenue) or by the tax period end date in which the credit originated. If a credit has been assigned a certificate number, the certificate number must be included on the Schedule CMS. A taxpayer that does not include an assigned certificate number on the Schedule CMS will not be allowed the credit on the tax return and will have their tax liability adjusted by the Department of Revenue. Be sure to omit hyphens, spaces, decimals and other special symbols when entering the certificate number. Also, enter the number from left to right.

Likewise, a taxpayer that is required to complete a separate schedule to claim a credit must include the separate schedule with the taxpayer's return filing. Failure to do so may result in the credit being disallowed.

If, by operation of MGL ch 63, § 32C or another provision of law, a credit normally identified by tax period end date is eligible for indefinite carryover, the credit should be reported as "non-expiring" and identification of the tax period of origin is not necessary.

Overview of Schedule CMS

The following is a brief overview of the Schedule CMS sections and where certain credits should be reported. If a taxpayer is using a credit to reduce a taxpayer's current year tax liability, whether it is a non-refundable credit or a refundable credit, the credit should be reported in Section 1 or 3 of the Schedule CMS. Only a refundable credit that the taxpayer is seeking a refund for should be reported in either Section 2 or 4 of the Schedule CMS. Generally, a credit should only be reported in one section on the Schedule CMS unless a portion of it is being used to offset a tax and a portion is being refunded.

Section 1. Non-Refundable Credits

Section 1 is for reporting credits the taxpayer is using (i) to offset or reduce the taxpayer's total tax due (ii) to pass to any partner, shareholder or beneficiary of the taxpayer or (iii) to share with taxpayer affiliates. The Brownfields Credit, Film Incentive Credit, or Medical Device Credit should always be included in Section 1, unless the taxpayer is requesting a refund of the Film Incentive Credit. However, a taxpayer that received a credit on a Massachusetts K-1 schedule from a pass-through entity or a credit transfer should report such credit in Section 3 or 4, as applicable.

Schedule CMS, Example 1

2a. Credit type	2b. Period end date (mm/dd/yyyy)	2c. Certificate number	2d. Credit available or certificate balance	2e. Reduction in balance for refund	2f. Refundable credit taken (100% or 90%)
FLMCRD		0000000011	$10,000	$10,000	$9,000
CNSLND		1110000000	$1,000	$1,000	$1,000

The total of the amounts shown in column f are shown on the appropriate line of the taxpayer's return.

Schedule CMS, Example 2

1a. Credit type	1b. Fill in if non-expiring	1c. Period end date (mm/dd/yyyy)	1d. Certificate number	1e. Credit available or certificate balance	1f. Credit taken this year	1g. Credit shared this year
SEPTIC	O	12/31/2025		$18,000	$4,000	
LEAD PAINT	O	12/31/2025		$1,000	$1,000	

The Credit Manager Schedule will now also be used by individual taxpayers tor certain credits. In Example 2, the taxpayer is an individual filing a return for the taxable year ending December 31, 2025 and has an available Septic Credit of $18,000 in the current year. The individual taxpayer must also enclose a Schedule SC. The individual should file Part 1 of the Schedule CMS to reflect a claimed credit of $4,000 (Schedule SC, line 13).

Section 2. Refundable Credits

Section 2 is for reporting refundable credits the taxpayer is using to request a refund. The Film Incentive Credit should always be included in Section 2 to the extent that the taxpayer is requesting a refund. However, a taxpayer that received a refundable credit on a Massachusetts K-1 from a pass-through entity or a credit transfer should report such credit in Section 4, to the extent that the taxpayer is requesting a refund. For each refundable credit, report the amount of the credit available after taking into consideration any amount of the credits that may have been taken to offset a tax or shared as reported in Section 1 of this schedule. Enter the amount by which the available credit balance is being reduced and the amount to be treated as a refundable credit, which may be either 90% or 100% of the reduction. See TIR 13-6, Example 3, for an illustration.

Section 3. Non-Refundable Credits Received from Massachusetts K-1 Schedules

Section 3 is for reporting credits the taxpayer received on a Massachusetts K-1 schedule (SK-1, 2K-1 or 3K-1) that the taxpayer is using (i) to offset or reduce the taxpayer's total tax due (ii) to pass to any partner, shareholder or beneficiary of the taxpayer or (iii) to share with taxpayer affiliates. The Brownfields Credit, Film Incentive Credit, or Medical Device Credit should never be included in Section 3.

Note: You do not report the Brownfields Credit, Film Incentive Credit, and Medical Device Credit in this section because these credits are issued new certificate numbers from the Department of Revenue when they are received from a pass-through entity or a credit transfer. These credits should always be reported in Section 1, unless the taxpayer is requesting a refund of the Film Incentive Credit.

Section 4. Refundable Credits Received from Massachusetts K-1 Schedules

Section 4 is for reporting credits the taxpayer received on a Massachusetts K-1 schedule (SK-1, 2K-1 or 3K-1) and that the taxpayer is using to request a refund. The Film Incentive Credit should never be included in Section 4. For each refundable credit, report the amount of the credit available after taking into consideration any amount of the credits that may have been used to offset a tax or shared as reported in Section 3 of this schedule. Enter the amount by which the available credit balance is being reduced and the amount to be treated as a refundable credit, which may be either 90% or 100% of the reduction. See TIR 13-6, Example 3, for an illustration.

Note: You do not report the refundable Film Incentive Credit in this section because these credits are issued new certificate numbers from the Department of Revenue when they are received from a pass-through entity or a credit transfer. If the taxpayer is requesting a refund of the Film Incentive Credit, it should be reported in Section 2.

Credit Table

The Credit Table located at the end of these instructions lists all of the Massachusetts credit types with their respective attributes. Credits that may be available to a taxpayer subject to tax under MGL ch 62 must be claimed on Schedule CMS. The taxpayer should refer to this table for guidance when completing Schedule CMS.

Credit Table

Credit name	Requirements	Refundable	Credit type	a. MGL Chapter	Section	b. MGL Chapter	Section
Angel Investor***	Certificate number*	No	AGLCRD	62	6(t)		
Apprenticeship	Certificate number	Yes, at 100%	APPCRD	62	6(v)	63	38HH
Brownfields	Certificate number	No	BRWFLD	62	6(j)	63	38Q
Certified Housing	Certificate number	No	CRTHOU	62	6(q)	63	38BB
Climatetech Capital Investment	Period end date	If authorized, at 100%	CCICRD	62	6(gg)	63	38RR
Climatetech Incentive Jobs	Period end date	If authorized, at 90%	CIJCRD	62	6(hh)	63	38TT
Climatetech Qualified Research	Period end date	No	CQRCRD			63	38SS
Commercial Conversion	Certificate number	No	CCCCRD	62	6(ee)	63	38OO
Community Investment	Certificate number	Yes, at 100%	CMMINV	62	6M	63	38EE
Conservation Land	Certificate number	Yes, at 100%	CNSLND	62	6(p)	63	38AA
Cranberry Bog Renovation	Certificate number	Yes, at 100%	CRBCRD	62	6(w)	63	38II
Dairy Farm	Certificate number	Yes, at 100%	DAIFRM	62	6(o)	63	38Z
Disability Employment	Period end date	Yes	DETCRD	62	6(z)	63	38JJ
EDIP (issued prior to November 20, 2024)	Certificate number and Schedule EDIP**	If authorized, at 100%	EDIPCR	62	6(g)	63	38N
EDIP (issued on or after November 20, 2024)	Certificate number and Schedule EDIP**	If authorized, at 100%	EDICRD	62	6(g)	63	38N
EDIP-Vacant Store Front	Certificate number	Yes, at 100%	VACSTR	62	6(g)	63	38N
EOAC	Period end date and Schedule EOAC**	If authorized	EOACCR	62	6(g)	63	38N
Farming and Fisheries	Period end date and Schedule FAF**	No	FRMFSH	62	6(s)		
Film Incentive	Certificate number	If authorized, at 90%	FLMCRD	62	6(l)	63	38X
Harbor Maintenance****	Period end date	No	HRBMNT			63	38P
Historic Rehabilitation	Certificate number	No	HISRHB	62	6J	63	38R
Investment Tax	Period end date and Schedule H**	No	INVTAX			63	31A
Lead Paint	Period end date and Schedule LP**	No	LEDPNT	62	6(e)		

* As of 2023, the method for reporting the Angel Investor credit on Schedule CMS is by certificate number. Prior to 2023, the method of reporting was by period end date.

** A schedule is required when the credit is generated or awarded in the current year.

*** Eligibility for obtaining the Angel Investor Tax Credit has been repealed for tax years beginning on or after January 1, 2024. Taxpayers must continue to report available carryover credits on Schedule CMS to the extent they are allowed to use them.

**** Eligibility for obtaining the Harbor Maintenance Tax Credit has been repealed for tax years beginning on or after January 1, 2022. Taxpayers must continue to report available carryover credits on Schedule CMS to the extent they are allowed to use them.

Credit Table

Credit name	Requirements	Refundable	Credit type	a. MGL Chapter	Section	b. MGL Chapter	Section
Life Science (FDA)	Period end date and Schedule RLSC**	If authorized, at 90%	LFSFDA	62	6(n)	63	31M
Life Science (ITC)	Period end date and Schedule RLSC**	If authorized, at 90%	LFSITC	62	6(m)	63	38U
Life Science (Jobs)	Period end date and Schedule RLSC**	If authorized, at 90%	LFSJOB	62	6(r)	63	38CC
Life Science (RD)	Period end date and Schedule RLSC**	If authorized, at 90%	LFSRDC			63	38W
Live Theater	Certificate number	No	LTCCRD	62	6(ff)	63	38QQ
Low-Income Housing	Certificate number	No	LOWINC	62	6I	63	31H
Low-Income Housing Donation	Certificate number	No	LIHDON	62	6I	63	31H
Massachusetts Homeownership	Certificate number	No	MHCCRD	62	6O	63	38PP
Medical Device****	Certificate number	No	MEDDVC	62	61⁄2	63	31L
National Guard Employee	Certificate number	No	NGHCRD	62	6(aa)	63	38KK
Offshore Wind Facility Capital Investment	Period end date	Yes	OSWITC	62	6(cc)	63	38MM
Offshore Wind Jobs	Period end date	Yes	OSWJTC	62	6(bb)	63	38LL
Pass-Through Entity Excise Tax (Form 63D-ELT)	Period end date	Yes*****	ELTCRD			63D	2
Research	Period end date and Schedule RC**	No	REARCH			63	38M
Septic	Period end date and Schedule SC**	No	SEPTIC	62	6(i)		
Solar and Wind Energy	Period end date and Schedule EC**	No	SLRWND	62	6(d)		
Training Tax	Certificate number	No	TTCCRD	62	6(dd)	63	38NN
Vanpool	Period end date and Schedule VP**	No	VANPOL			63	31E
Veteran's New Hire Tax	Certificate number	No	VETHIR	62	6(u)	63	38GG

** A schedule is required when the credit is generated or awarded in the current year.

**** Eligibility for obtaining the Medical Device Tax Credit has been repealed for tax years beginning on or after January 1, 2022. Taxpayers must continue to report available carryover credits on Schedule CMS to the extent they are allowed to use them.

***** Shareholders, partners, or beneficiaries of an eligible pass-through entity (qualified members) may claim a refundable credit equal to 90% of their allocable share of PTE Excise paid by such pass-through entity. See MGL ch 63D §§ 1-7; TIR 22-6 Pass-through Entity Excise. See also Elective pass-through entity excise FAQs.

Note: Certified life sciences companies with a Research Credit exceeding the amount of credit that may be claimed under section 38M for a taxable year may, to the extent authorized under the Life Sciences Tax Incentive Program, elect to make 90% of the balance of remaining credits refundable. See MGL ch 63, § 38M(j).

2025 Massachusetts Income Tax Table at the 5.0% Rate

Use this table to calculate tax for taxable 5.0% income (line 25) of not more than $24,000

Line 26 instructions: To find your **tax on 5.0% Income** (line 26), read down the tax table income column to the line containing the amount you entered in line 25. Then read across to the **TAX** column and enter this amount in line 26. If your taxable 5.0% income in line 25 is greater than $24,000, multiply the amount by .05. Enter the result in line 26.

If your 5.0% income for the tax table is less than $10, your tax is 0. Note: If choosing the optional 5.85% tax rate, multiply line 25 and the amount in Schedule D, line 21 by .0585.

INCOME		
More than	But not more than	TAX
$9	$50	$1
50	100	4
100	150	6
150	200	9
200	250	11
250	300	14
300	350	16
350	400	19
400	450	21
450	500	24
500	550	26
550	600	29
600	650	31
650	700	34
700	750	36
750	800	39
800	850	41
850	900	44
900	950	46
950	1,000	49
1,000	1,050	51
1,050	1,100	54
1,100	1,150	56
1,150	1,200	59
1,200	1,250	61
1,250	1,300	64
1,300	1,350	66
1,350	1,400	69
1,400	1,450	71
1,450	1,500	74
1,500	1,550	76
1,550	1,600	79
1,600	1,650	81
1,650	1,700	84
1,700	1,750	86
1,750	1,800	89
1,800	1,850	91
1,850	1,900	94
1,900	1,950	96
1,950	2,000	99
2,000	2,050	101
2,050	2,100	104
2,100	2,150	106
2,150	2,200	109
2,200	2,250	111
2,250	2,300	114
2,300	2,350	116
2,350	2,400	119
2,400	2,450	121
2,450	2,500	124
2,500	2,550	126
2,550	2,600	129
2,600	2,650	131
2,650	2,700	134
2,700	2,750	136
2,750	2,800	139
2,800	2,850	141
2,850	2,900	144
2,900	2,950	146
2,950	3,000	149
3,000	3,050	151
3,050	3,100	154
3,100	3,150	156
3,150	3,200	159
3,200	3,250	161
3,250	3,300	164
3,300	3,350	166
3,350	3,400	169
3,400	3,450	171
3,450	3,500	174
3,500	3,550	176
3,550	3,600	179
3,600	3,650	181
3,650	3,700	184
3,700	3,750	186
3,750	3,800	189
3,800	3,850	191
3,850	3,900	194
3,900	3,950	196
3,950	4,000	199

INCOME		
More than	But not more than	TAX
$4,000	$4,050	$201
4,050	4,100	204
4,100	4,150	206
4,150	4,200	209
4,200	4,250	211
4,250	4,300	214
4,300	4,350	216
4,350	4,400	219
4,400	4,450	221
4,450	4,500	224
4,500	4,550	226
4,550	4,600	229
4,600	4,650	231
4,650	4,700	234
4,700	4,750	236
4,750	4,800	239
4,800	4,850	241
4,850	4,900	244
4,900	4,950	246
4,950	5,000	249
5,000	5,050	251
5,050	5,100	254
5,100	5,150	256
5,150	5,200	259
5,200	5,250	261
5,250	5,300	264
5,300	5,350	266
5,350	5,400	269
5,400	5,450	271
5,450	5,500	274
5,500	5,550	276
5,550	5,600	279
5,600	5,650	281
5,650	5,700	284
5,700	5,750	286
5,750	5,800	289
5,800	5,850	291
5,850	5,900	294
5,900	5,950	296
5,950	6,000	299
6,000	6,050	301
6,050	6,100	304
6,100	6,150	306
6,150	6,200	309
6,200	6,250	311
6,250	6,300	314
6,300	6,350	316
6,350	6,400	319
6,400	6,450	321
6,450	6,500	324
6,500	6,550	326
6,550	6,600	329
6,600	6,650	331
6,650	6,700	334
6,700	6,750	336
6,750	6,800	339
6,800	6,850	341
6,850	6,900	344
6,900	6,950	346
6,950	7,000	349
7,000	7,050	351
7,050	7,100	354
7,100	7,150	356
7,150	7,200	359
7,200	7,250	361
7,250	7,300	364
7,300	7,350	366
7,350	7,400	369
7,400	7,450	371
7,450	7,500	374
7,500	7,550	376
7,550	7,600	379
7,600	7,650	381
7,650	7,700	384
7,700	7,750	386
7,750	7,800	389
7,800	7,850	391
7,850	7,900	394
7,900	7,950	396
7,950	8,000	399

INCOME		
More than	But not more than	TAX
$8,000	$8,050	$401
8,050	8,100	404
8,100	8,150	406
8,150	8,200	409
8,200	8,250	411
8,250	8,300	414
8,300	8,350	416
8,350	8,400	419
8,400	8,450	421
8,450	8,500	424
8,500	8,550	426
8,550	8,600	429
8,600	8,650	431
8,650	8,700	434
8,700	8,750	436
8,750	8,800	439
8,800	8,850	441
8,850	8,900	444
8,900	8,950	446
8,950	9,000	449
9,000	9,050	451
9,050	9,100	454
9,100	9,150	456
9,150	9,200	459
9,200	9,250	461
9,250	9,300	464
9,300	9,350	466
9,350	9,400	469
9,400	9,450	471
9,450	9,500	474
9,500	9,550	476
9,550	9,600	479
9,600	9,650	481
9,650	9,700	484
9,700	9,750	486
9,750	9,800	489
9,800	9,850	491
9,850	9,900	494
9,900	9,950	496
9,950	10,000	499
10,000	10,050	501
10,050	10,100	504
10,100	10,150	506
10,150	10,200	509
10,200	10,250	511
10,250	10,300	514
10,300	10,350	516
10,350	10,400	519
10,400	10,450	521
10,450	10,500	524
10,500	10,550	526
10,550	10,600	529
10,600	10,650	531
10,650	10,700	534
10,700	10,750	536
10,750	10,800	539
10,800	10,850	541
10,850	10,900	544
10,900	10,950	546
10,950	11,000	549
11,000	11,050	551
11,050	11,100	554
11,100	11,150	556
11,150	11,200	559
11,200	11,250	561
11,250	11,300	564
11,300	11,350	566
11,350	11,400	569
11,400	11,450	571
11,450	11,500	574
11,500	11,550	576
11,550	11,600	579
11,600	11,650	581
11,650	11,700	584
11,700	11,750	586
11,750	11,800	589
11,800	11,850	591
11,850	11,900	594
11,900	11,950	596
11,950	12,000	599

INCOME		
More than	But not more than	TAX
$12,000	12,050	601
12,050	12,100	604
12,100	12,150	606
12,150	12,200	609
12,200	12,250	611
12,250	12,300	614
12,300	12,350	616
12,350	12,400	619
12,400	12,450	621
12,450	12,500	624
12,500	12,550	626
12,550	12,600	629
12,600	12,650	631
12,650	12,700	634
12,700	12,750	636
12,750	12,800	639
12,800	12,850	641
12,850	12,900	644
12,900	12,950	646
12,950	13,000	649
13,000	13,050	651
13,050	13,100	654
13,100	13,150	656
13,150	13,200	659
13,200	13,250	661
13,250	13,300	664
13,300	13,350	666
13,350	13,400	669
13,400	13,450	671
13,450	13,500	674
13,500	13,550	676
13,550	13,600	679
13,600	13,650	681
13,650	13,700	684
13,700	13,750	686
13,750	13,800	689
13,800	13,850	691
13,850	13,900	694
13,900	13,950	696
13,950	14,000	699
14,000	14,050	701
14,050	14,100	704
14,100	14,150	706
14,150	14,200	709
14,200	14,250	711
14,250	14,300	714
14,300	14,350	716
14,350	14,400	719
14,400	14,450	721
14,450	14,500	724
14,500	14,550	726
14,550	14,600	729
14,600	14,650	731
14,650	14,700	734
14,700	14,750	736
14,750	14,800	739
14,800	14,850	741
14,850	14,900	744
14,900	14,950	746
14,950	15,000	749
15,000	15,050	751
15,050	15,100	754
15,100	15,150	756
15,150	15,200	759
15,200	15,250	761
15,250	15,300	764
15,300	15,350	766
15,350	15,400	769
15,400	15,450	771
15,450	15,500	774
15,500	15,550	776
15,550	15,600	779
15,600	15,650	781
15,650	15,700	784
15,700	15,750	786
15,750	15,800	789
15,800	15,850	791
15,850	15,900	794
15,900	15,950	796
15,950	16,000	799

INCOME		
More than	But not more than	TAX
$16,000	16,050	801
16,050	16,100	804
16,100	16,150	806
16,150	16,200	809
16,200	16,250	811
16,250	16,300	814
16,300	16,350	816
16,350	16,400	819
16,400	16,450	821
16,450	16,500	824
16,500	16,550	826
16,550	16,600	829
16,600	16,650	831
16,650	16,700	834
16,700	16,750	836
16,750	16,800	839
16,800	16,850	841
16,850	16,900	844
16,900	16,950	846
16,950	17,000	849
17,000	17,050	851
17,050	17,100	854
17,100	17,150	856
17,150	17,200	859
17,200	17,250	861
17,250	17,300	864
17,300	17,350	866
17,350	17,400	869
17,400	17,450	871
17,450	17,500	874
17,500	17,550	876
17,550	17,600	879
17,600	17,650	881
17,650	17,700	884
17,700	17,750	886
17,750	17,800	889
17,800	17,850	891
17,850	17,900	894
17,900	17,950	896
17,950	18,000	899
18,000	18,050	901
18,050	18,100	904
18,100	18,150	906
18,150	18,200	909
18,200	18,250	911
18,250	18,300	914
18,300	18,350	916
18,350	18,400	919
18,400	18,450	921
18,450	18,500	924
18,500	18,550	926
18,550	18,600	929
18,600	18,650	931
18,650	18,700	934
18,700	18,750	936
18,750	18,800	939
18,800	18,850	941
18,850	18,900	944
18,900	18,950	946
18,950	19,000	949
19,000	19,050	951
19,050	19,100	954
19,100	19,150	956
19,150	19,200	959
19,200	19,250	961
19,250	19,300	964
19,300	19,350	966
19,350	19,400	969
19,400	19,450	971
19,450	19,500	974
19,500	19,550	976
19,550	19,600	979
19,600	19,650	981
19,650	19,700	984
19,700	19,750	986
19,750	19,800	989
19,800	19,850	991
19,850	19,900	994
19,900	19,950	996
19,950	20,000	999

INCOME		
More than	But not more than	TAX
$20,000	$20,050	$1,001
20,050	20,100	1,004
20,100	20,150	1,006
20,150	20,200	1,009
20,200	20,250	1,011
20,250	20,300	1,014
20,300	20,350	1,016
20,350	20,400	1,019
20,400	20,450	1,021
20,450	20,500	1,024
20,500	20,550	1,026
20,550	20,600	1,029
20,600	20,650	1,031
20,650	20,700	1,034
20,700	20,750	1,036
20,750	20,800	1,039
20,800	20,850	1,041
20,850	20,900	1,044
20,900	20,950	1,046
20,950	21,000	1,049
21,000	21,050	1,051
21,050	21,100	1,054
21,100	21,150	1,056
21,150	21,200	1,059
21,200	21,250	1,061
21,250	21,300	1,064
21,300	21,350	1,066
21,350	21,400	1,069
21,400	21,450	1,071
21,450	21,500	1,074
21,500	21,550	1,076
21,550	21,600	1,079
21,600	21,650	1,081
21,650	21,700	1,084
21,700	21,750	1,086
21,750	21,800	1,089
21,800	21,850	1,091
21,850	21,900	1,094
21,900	21,950	1,096
21,950	22,000	1,099
22,000	22,050	1,101
22,050	22,100	1,104
22,100	22,150	1,106
22,150	22,200	1,109
22,200	22,250	1,111
22,250	22,300	1,114
22,300	22,350	1,116
22,350	22,400	1,119
22,400	22,450	1,121
22,450	22,500	1,124
22,500	22,550	1,126
22,550	22,600	1,129
22,600	22,650	1,131
22,650	22,700	1,134
22,700	22,750	1,136
22,750	22,800	1,139
22,800	22,850	1,141
22,850	22,900	1,144
22,900	22,950	1,146
22,950	23,000	1,149
23,000	23,050	1,151
23,050	23,100	1,154
23,100	23,150	1,156
23,150	23,200	1,159
23,200	23,250	1,161
23,250	23,300	1,164
23,300	23,350	1,166
23,350	23,400	1,169
23,400	23,450	1,171
23,450	23,500	1,174
23,500	23,550	1,176
23,550	23,600	1,179
23,600	23,650	1,181
23,650	23,700	1,184
23,700	23,750	1,186
23,750	23,800	1,189
23,800	23,850	1,191
23,850	23,900	1,194
23,900	23,950	1,196
23,950	24,000	1,199

Department of Revenue Resources

Where to find help

DOR's website at mass.gov/dor is a valuable resource for tax information 24 hours a day. Thousands of taxpayers use it to find answers to tax questions and to check the status of their refunds. Through MassTaxConnect, taxpayers can make estimated tax payments or review their estimated tax payment histories, in addition to many other options.

Where to get forms and publications



For Massachusetts tax forms and publications, visit mass.gov/dor/forms.



For Massachusetts tax forms and publications, call us at (617) 887-6367 or toll-free in Massachusetts at (800) 392-6089.



During the income tax filing season, you can obtain Massachusetts personal income tax forms at most local libraries. Forms may also be available at local IRS district offices. Call ahead to verify availability.

To obtain federal tax information and forms online, go to irs.gov or call the IRS toll-free at (800) 829-3676.

For help in one of the following specific areas

- Certificates of Good Standing: Call (617) 887-6400
- Installment Sales: Call (617) 887-6950
- Requests for this publication in an alternative format, such as large print, can be sent to the Problem Resolution Office at (617) 626-3833. Requests for other reasonable accommodations for individuals with disabilities can be directed to the Office of Diversity and Equal Opportunity by phone at (857) 286-1554 or by email at knightg@dor.state.ma.us.

To report allegations of suspected misconduct or impropriety involving DOR employees, call the Office of Ethics and Employee Responsibility's Integrity Hotline at (800) 568-0085 or write to PO Box 9568, Boston, MA 02114-9567.

Massachusetts
Department of
Revenue
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Boston, MA 02204

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A Special Message from Revenue Commissioner Geoffrey E. Snyder

I hope you find this Form 1-NR/PY booklet helpful in preparing your taxes. When you are ready to file, I encourage you to consider e-filing instead of submitting a paper return. There are several benefits to e-filing your tax return, including using approved tax software and hiring a tax preparer.

Here are some advantages of e-filing:

- You will receive a faster refund compared to a return filed on paper.
- Automatic corrections provide a more accurate return.
- Enhanced security features protect your e-filed tax return.
- If you owe taxes, you can set up an online payment plan and choose a payment date, saving you a trip to the post office.

Additionally, free e-filing options are available for qualifying taxpayers at mass.gov/efile.

Last year, nearly 95% of Massachusetts taxpayers chose to e-file. This tax season, I hope that e-filing becomes your first choice.

Sincerely,



Commissioner Geoffrey E. Snyder

mass.gov/efile

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