



# 2025 Instructions for Massachusetts Security Corporation Excise Return **Form 355SC**

This form has an electronic filing requirement.  
See instructions.

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## What kind of help is available

The instructions in the Department of Revenue's tax forms should provide answers to most taxpayer questions. If you have questions about completing your Massachusetts tax form, you can call us at (617) 887-6367 or toll-free in Massachusetts at 1-800-392-6089 Monday through Friday. DOR's website at [mass.gov/dor](http://mass.gov/dor) is also a valuable resource for tax information 24 hours a day. Thousands of taxpayers use DOR's website to e-mail and receive prompt answers to their general tax inquiries. Interactive applications that allow taxpayers to check the status of their refunds and review their quarterly estimated tax payment histories are available through our website or by calling our main information lines listed above.

## Where to get forms and publications

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

**For general tax information. Please call (617) 887-6367 or toll-free in Massachusetts 1-800-392-6089. These main information lines can provide assistance with the following:**

- ▶ corporate excise
- ▶ estate taxes
- ▶ estimated taxes
- ▶ certificate of good standing
- ▶ fiduciary taxes
- ▶ nonresident information
- ▶ partnerships
- ▶ personal income taxes
- ▶ refunds
- ▶ withholding

**For help in one of the following specific areas. Please call the number listed below.**

- ▶ Installment sales (617) 887-6950
- ▶ Vision-impaired taxpayers can contact any DOR office to receive assistance.
- ▶ Upon request, this publication is available in an alternative format. Please send your request to: Office of Diversity and Equal Opportunity, PO Box 9557, Boston, MA 02114-9557.

To report allegations of suspected misconduct or impropriety involving Department of Revenue employees, please call the Office of Ethics and Employee Responsibility Hot Line at 1-800-565-0085 or write to PO Box 9567, Boston, MA 02114.

# 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](https://mass.gov/dor).

## Filing Due Dates

Massachusetts General Laws (MGL) ch. 62C, §§ 11 and 12 require C corporations to file their corporate excise returns on or before the 15th day of the fourth month following the close of each taxable year.

The due date for S corporation tax returns is the 15th day of the third month following the close of each taxable year. For more information, see Technical Information Release (TIR) 17-5.

## 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 corporations with a continuing Massachusetts business presence, a member of a combined group where one member of such group has a continuing Massachusetts business presence; insurance companies; and financial institutions that maintain a place of business in Massachusetts. For additional information, see 830 CMR 62B.2.4 and the Department's website at <https://www.mass.gov/info-details/withholding-requirement-sale-of-real-estate-by-non-residents>.

## 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 climate 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 ("CEC").

The program provides for the following credits:

- The Climatetech Incentive Jobs Credit is awarded in an amount determined by CEC (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 CEC, up to fifty percent of a climatetech company's investment in a climatetech facility.
- The Climatetech Qualified Research Expenses Credit is awarded at the discretion of CEC 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.

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 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 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 transferable but not refundable. The credit is available for tax years beginning on or after January 1, 2025, and expires on or before 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, partnership, corporate excise and financial institution excise filers that apportion their income to Massachusetts must do so by using the sales or receipts factor only. In addition, for such tax years, the computation of the receipts factor for financial institutions has been changed with respect to receipts from investment and trading assets and activities. See TIR 24-4, Section IV.

**Note:** All filers that apportion their income to Massachusetts must complete the tangible property and payroll sections of their respective apportion-

ment calculations, even if they are basing apportionment solely on the sales or receipts factor.

## Federal Conformity

Massachusetts generally conforms to the Internal Revenue Code (IRC or Code) as currently in effect for Massachusetts corporate and financial institution excise purposes. However, in some instances Massachusetts has enacted laws to decouple from the federal law. An example of this is the disallowance of the federal deduction for bonus depreciation (IRC § 168(k)). For more up-to-date and detailed information on tax changes and federal conformity, visit DOR's website at [mass.gov/dor](http://mass.gov/dor).

## Federal Tax Law Changes

Federal tax legislation passed in 2025 made a number of changes to the IRC. The Massachusetts corporate excise generally adopts those changes that pertain to the computation of income and deductions, unless Massachusetts enacts laws to decouple from the federal law. See TIR 25-XX for a discussion of the effect of the federal legislation on the corporate excise and financial institution excise.

## Privacy Act Notice

The Privacy Act Notice is available upon request or at [mass.gov/dor](http://mass.gov/dor).

# General Instructions

## Form 355SC Electronic Filing

Form 355SC must be filed electronically. Submissions other than by electronic filing will not be considered a timely filed return. For more information, see TIR 21-9: Expansion of Certain Electronic Filing and Payment Requirements.

Under TIR 21-9, where a return is required to be filed electronically, any schedules or supporting documents filed with the return must be submitted electronically. In addition, any amendment of that return, or request for abatement with respect to that return, must also be filed electronically.

## Who Must File and Pay Security Corporation Excise?

Any foreign or domestic corporation organized or doing business in Massachusetts and which is classified and operating as a valid security corporation under Massachusetts law may file Form 355SC. Under Massachusetts General Laws (MGL) ch 63, § 38B, a security corporation is any corporation:

- Engaged exclusively in buying, selling, dealing in or holding securities on its own behalf and not as a broker; and
- Classified as a security corporation by the Commissioner of Revenue. Depending on the nature

of its business, a corporation may be classified as either a Class 1 or Class 2 security corporation.

Corporations which do not meet the above qualifications may not file Form 355SC. Nonqualifying corporations doing business in Massachusetts must file Form 355. Nonqualifying corporations which file Form 355SC are subject to penalties.

For further information regarding the taxation of security corporations, please refer to DOR Directive ("DD") 86-33.

## What is a Proper Return?

A proper return is a return upon which all required amounts have been entered in all appropriate lines on all forms. Data sheets, account forms or other schedules must be available to explain amounts entered on the forms. Referencing lines to enclosures in lieu of entering amounts onto the return is not sufficient.

An exact copy of U.S. Form 1120 (or its equivalent US form), including all applicable schedules and any other documentation required to substantiate entries made on this return, must be made available to the DOR upon request.

## What Is a Class 1 Security Corporation?

Under MGL ch 63, § 38B(b), a Class 1 security corporation is any corporation which is engaged exclusively in buying, selling, dealing in or holding securities on its own behalf and not as a broker and is a bank holding company as defined under IRC § 1103.

Class 1 security corporations pay an excise of .33% of Massachusetts gross income or the minimum excise of \$456, whichever is greater.

## What Is a Class 2 Security Corporation?

Under MGL ch 63, § 38B(a), a Class 2 security corporation is any foreign or domestic corporation which is engaged exclusively in buying, selling, dealing in or holding securities on its own behalf and not as a broker, and is not a bank holding company as defined under the IRC.

Class 2 security corporations pay an excise of 1.32% of Massachusetts gross income or the minimum excise of \$456, whichever is greater.

## What Are the Differences Between the Security Corporation Excise and the Business Corporation Excise?

Unlike business corporations, security corporations pay an excise based exclusively on gross income. Gross income for security corporations is equal to U.S. gross income plus tax-exempt interest from state and local obligations, including Massachusetts. In addition, security corporation

gross income may include a deduction for capital losses sustained during the taxable year to the extent they are allowable for federal tax purposes. This deduction may not be used to offset dividend or interest income, nor be carried over to other taxable years. It may only be applied to reduce capital gains realized in the year during which the capital losses are sustained. Also, security corporations may not:

- Participate in the filing of a Massachusetts combined return under MGL ch 63, § 32B;
- Apportion or allocate income to other states or jurisdictions; or
- Take any investment research tax credits against the security corporation excise.

## How Does a Corporation Apply for Security Corporation Classification?

Any corporation wishing to apply for security corporation classification must submit a written application to the Commissioner of Revenue before the end of the corporation's taxable year. Applications received by DOR after the close of the corporation's taxable year are invalid. Applications must contain the following information:

- The name, legal address and Federal Identification number of the corporation;
- The taxable year for which classification is being sought;
- A balance sheet as of the first day of the corporation's taxable year;
- A balance sheet as of (or as near to as possible) the date of application. **Note:** General balance sheet accounts, such as investments, accounts receivable or marketable securities, must be accompanied by a detailed schedule listing the type of assets held by the corporation;
- An income statement for the period from the first day of the taxable year to the date of application;
- A statement that the corporation's income for the rest of the taxable year will be exclusively from the buying, selling, dealing in or holding of securities on its own behalf and not as a broker;
- A statement that the corporation has (or has not) qualified as a bank holding company under the IRC; and
- The name and telephone number of the corporate officer or representative who may be contacted if additional information is needed. If applying on behalf of the appropriate corporate officer submit a completed Form M-2848, Power of Attorney.

Applications should be sent to **Massachusetts Department of Revenue, 200 Arlington Street, Attn: Business-Income Tax Bureau, Corporate Contact Center, Chelsea, MA 02150.**

For further information on applying for security corporation classification, please call the Security Corporation Unit at (617) 887-6367.

### How Often Must a Security Corporation Obtain Classification?

Once a corporation has received security corporation classification from the Commissioner of Revenue, it is not required to be classified again unless:

- It is reapplying for security corporation status after electing to have its classification withdrawn.

### How May a Security Corporation Elect to Have Its Classification Withdrawn?

A corporation which has been classified as a security corporation may elect to have its classification withdrawn by notifying the Commissioner of Revenue of its election in writing. This election may be made even if the corporation is still engaged exclusively in buying, selling, dealing in or holding securities on its own behalf and not as a broker. The notice must be on corporate letterhead and signed by the president, vice-president or clerk of the corporation. The notice of withdrawal must be filed and received by DOR before the end of the corporation's taxable year. This election should be sent to the Security Corporation Unit address listed in the "How Does a Corporation Apply for Security Corporation Classification?" section.

For further information on electing to withdraw your security corporation classification refer to DD 86-36.

### What If the Corporation Changes Activities During the Year?

A security corporation which has a material change in its activities (e.g., merger with another corporation) during the year must notify the Commissioner of Revenue in writing of the change before the end of the taxable year in which the change occurs. Any classified security corporation engaging in disallowed activities during the taxable year will have its security classification revoked and any additional amounts due under the Massachusetts corporation excise for the year will be assessed.

For further information on a security corporation's responsibilities when changing activities, refer to DD 86-37.

## Filing Requirements

### When Is Form 355SC Due?

A security corporation that is organized as C corporation must file Form 355SC, and pay the full of any tax due, on or before the 15th day of the fourth month after the close of the corporation's taxable year. Security corporation filers should review TIR 16-9: Expansion and Restatement of Electronic Filing and Payment Requirements and TIR 21-9: Expansion of Certain Electronic Filing and Payment Requirements, for information regarding the electronic filing mandate.

For calendar year filers, returns are due April 15, 2026.

Security corporations meeting certain payment requirements will be given an automatic six-month extension to file the Form 355SC. For further information, see TIR 15-15.

**Note:** An extension of time to file is not valid if the corporation fails to pay at least 50% of the total tax liability or the minimum tax of \$456, whichever is greater, through estimated payments or with an extension payment.

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

**Note:** Under Massachusetts corporate law, all corporations in the Commonwealth are required to file an annual report form with the Secretary of State within a limited time after the close of their fiscal year. For further information on this requirement, visit [www.sec.state.ma.us](http://www.sec.state.ma.us) or call the Secretary of State's Corporate Information Line at (617) 727-9640.

### Filing an Amended Return

**Supporting Statement Required.** If you are filing an amended return for any reason you **must** attach a statement to the amended return with an explanation of why you are filing the amended return, including the basis for submitting it.

If you need to change a line item on your return, complete a return with the corrected information and fill in the **Amended return** oval. An amended return can be filed to either increase or decrease your tax. Generally, an amended return must be filed within three years of the date that your original return was filed. Electronic filing requirements apply to amended returns and disputes. See TIRs 16-9 and 21-9 for further information.

### Federal Changes

If this is an amended Massachusetts return and it does not report changes that result from the filing of a federal amended return or from a fed-

eral audit (for example, if the amended Massachusetts return is reporting only a change in the apportionment calculation or an additional tax credit), fill in only the **Amended return** oval. If this is an amended return that includes changes you have reported on an amended federal return filed with the IRS for the same tax year, fill in both the **Amended return** and the **Amended return due to federal change** ovals. If the amended Massachusetts return incorporates changes that are the result of an IRS audit, check both the **Amended return** and **Amended return due to federal audit** ovals; enclose a complete copy of the federal audit report and supporting schedules.

If the amended return is being submitted due to an IRS BBA Partnership Audit then fill in the **Amended return due to IRS BBA Partnership Audit** oval.

### S Corporation Election Termination or Revocation

Fill in this oval if the taxpayer was an S corporation in the prior tax year and its S status was terminated or revoked by election or otherwise.

### Member of a Lower-Tier Entity

Fill in this oval if the taxpayer is a member of a lower-tier entity.

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

In certain instances, an amended return showing a reduction of tax may be treated by DOR as an abatement application. Under such circumstances, by filing an amended return, you are giving your consent for the Commissioner of Revenue to act upon the abatement application after six months from the date of filing. See TIR 16-11. You may withdraw such consent at any time by contacting the DOR in writing. If consent is withdrawn, any requested reduction in tax will be deemed denied either at the expiration of six months from the date of filing or the date consent is withdrawn, whichever is later.

### Filing an Application for Abatement

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

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

For the fastest response time, file your dispute online at [mass.gov/masstaxconnect](http://mass.gov/masstaxconnect). If you are not

required to file electronically or you cannot file on-line, use Form ABT.

Visit [mass.gov/dor/amend](https://mass.gov/dor/amend) for additional information about filing an amended return, or filing an application for abatement.

## What Are the Penalties for Late Returns?

Security corporation returns which are not filed on or before the due date are subject to interest and penalty charges. The penalty for failure to pay the total payment due with this form is 1% of the tax due per month (or fraction thereof), up to a maximum of 25%. A late payment penalty does not apply to amended returns when the amount shown on the original return was paid.

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

Any tax not paid on or before the due date without regard to the extension is subject to interest charges.

## Should the Corporation Be Making Estimated Tax Payments?

All corporations which reasonably estimate their corporate excise to be in excess of \$1,000 for the taxable year are required to make estimated tax payments to the Commonwealth. Estimated taxes may be paid in full on or before the 15th day of the third month of the corporation's taxable year or in four installment payments according to the schedule below.

- 40% of the estimated tax due for the year is due on the 15th day of the 3rd month of the taxable year.
- 25% of the estimated tax due for the year is due on the 15th day of the 6th month of the taxable year.
- 25% of the estimated tax due for the year is due on the 15th day of the 9th month of the taxable year.
- 10% of the estimated tax due for the year is due on the 15th day of the 12th month of the taxable year.

**Note:** Due dates for the estimated payments are not affected by the change in corporate excise return due dates announced in TIR 16-9.

Corporations with \$100,000 or more in receipts or sales must submit their estimated payments electronically. See TIR 16-9 for further information.

**Note:** New corporations in their first full taxable year with less than 10 employees have different estimated payment percentages 30%, 25%, 25% and 20% respectively.

To avoid a possible underpayment penalty on its taxes, a corporation should, when making its first payment, estimate its tax to be at least equal to the prior year's tax. If the prior year's tax was the minimum tax, the corporation should make a payment or payments equal to the minimum tax to safeguard against a possible underpayment penalty.

**Note:** Any corporation having \$1,000,000 or more of U.S. taxable income in any of its three preceding taxable years (as defined in IRC § 6655(g)) may only use its prior year tax liability to calculate its first quarterly estimated tax payment. Any reduction in the first installment payment that results from using this method must be added to its second installment payment.

For more information on corporate estimated taxes, refer to 830 CMR 63B.2.2, and MGL ch 63B.

## What if the Taxpayer Is a Fiscal or Short Year Filer?

File the 2025 return for calendar year 2025 and fiscal years that began in 2025 and ended in 2026. For a fiscal year return, fill in the tax year space at the top of page 1. Short year filers should file using the tax form for the calendar year within which the short year falls. If the short year spans more than one calendar year, the filer should use 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.

## Are There Special Tax Credits Available In Massachusetts?

Yes. Massachusetts offers several special credits to corporations.

Under MGL ch 63, § 32C, a corporation's credits may not offset more than 50% of its excise. Any credits not utilized as a result of this provision may be carried over for an unlimited number of years. This provision does not apply to the Research Credit, the Harbor Maintenance Tax Credit, Low-Income Housing Credit, Historic Rehabilitation Credit, the Film Incentive Credit, Medical Device Credit, Veteran's Hire Tax Credit or the Low-Income Housing Donation Credit.

Credits must be entered on the Credit Manager Schedule (Schedule CMS). For more information on Schedule CMS, please refer to page 7.

## 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 63 must be claimed on Schedule CMS. The taxpayer should refer to this table for guidance when completing Schedule CMS.

To report claimed tax credits, enter the tax credit certificate number (if applicable) and the amount of credit claimed along with the designated credit code on Schedule CMS.

For additional information regarding tax credits that may be available to a taxpayer subject to tax under MGL ch 63 go to the Business Tax Credits web page on DOR's website at [mass.gov/dor](https://mass.gov/dor).

# Line Instructions

## Registration Information

Enter the corporation's principal business code and Federal Identification number above the name and address of the corporation.

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

### Line 1

Fill in the oval if the corporation is incorporated within Massachusetts.

### Line 2

Enter the date the corporation was incorporated in Massachusetts.

### Line 3

Check if the corporation is a Class 1 or Class 2 security corporation as classified by the Commissioner of Revenue. For an explanation of the differences between Class 1 and Class 2 security corporations, please refer to the General Information section of the instructions.

### Lines 7a and 7b

Enter the number of Massachusetts employees on line 7a and the number of worldwide employees on Line 7b for the taxpayer.

### Line 8

Fill in if the taxpayer is enclosing Schedule TDS, Taxpayer Disclosure Statement, with the return.

### Line 11

Any corporation undergoing a voluntary dissolution should notify DOR in writing within 30 days of the vote to dissolve. Mail to **Massachusetts Department of Revenue, PO Box 7010, Boston, MA 02204**.

### Line 12

If there have been significant changes in your corporation's activities during the taxable year, enclose a statement explaining these changes. Security corporations must notify the Commissioner of Revenue of any change in their activities before the end of their taxable year.

### Line 15

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, gifted, or otherwise disposed of a digi-

tal asset (or a financial interest in a digital asset). Digital assets include non-fungible tokens (NFTs) and virtual currencies, such as cryptocurrencies and stablecoins.

## Computation of Excise

For security corporations, qualified securities only include instruments that were initially acquired through a public exchange or another arms length secondary market. See TIR 04-21 for further information.

The Computation of Excise section is used to calculate either the Class 1 or Class 2 security corporation excise. The respective excise rates are:

- Class 1 security corporation: 0.33% of Massachusetts gross income; and
- Class 2 security corporation: 1.32% of Massachusetts gross income.

Massachusetts law also provides for a minimum security corporation excise of \$456.

### Line 1

Enter the corporation's U.S. total income from the appropriate U.S. form.

### Line 2

Enter all interest received on state and municipal bond obligations not reported in line 1.

### Line 3

Massachusetts law does not allow security corporations to take deductions for ordinary losses in the course of business or for capital losses carried over from other taxable years. Consequently, any of the following lines which have been deducted from total U.S. income must be entered in line 3 and added back into income:

- Any losses from U.S. Form 4797, lines 7 and 17, column g; and
- Any capital losses carried over from other taxable years, and deducted on U.S. Schedule D.

Any amount required to be added to income in line 3 must be accompanied by an explanatory schedule.

### Line 8

Enter the total credits from the Schedule CMS.

### Line 10

The minimum excise for a security corporation is \$456. The minimum excise cannot be prorated under any circumstance, as Massachusetts law makes no provision for the proration of the minimum tax.

### Line 12

All security corporations that wish to contribute to Endangered Wildlife Conservation may do so on their corporation excise return. This amount is added to the excise due. It increases the amount of the corporation's payment or reduces the amount of their refund.

The Natural Heritage and Endangered Species Fund is administered by the Massachusetts Department of Fisheries, Wildlife and Environmental Law Enforcement to provide for conservation programs for rare, endangered and nongame wildlife and plants in the Commonwealth.

### Line 17

Use this line only if you are amending the original return. Enter in line 17 the amount of tax you paid with the original return from line 24, "Total payment due at time of filing." If estimated tax payments were made on the original return, they should be reflected on line 15, as on the original return. Select the appropriate Amended return oval on page 1. Complete the entire return, correct the appropriate lines with the new information and recompute the tax liability. You must attach a supporting statement to the amended return with an explanation of why you are filing the amended return (including the basis for submitting it), and identify the lines and amounts being changed on the amended return. Electronic filing requirements apply to amended returns. See TIR 21-9 for further information.

### Lines 18 through 20

If the total of lines 14 through 17 exceed line 13, enter the amount overpaid in line 18.

The overpayment may be applied in part or in full to 2026 estimated taxes by entering in line 19 the amount to be credited to 2026 estimated taxes. Enter in line 20 the amount of the overpayment to be refunded.

### Line 21

If line 13 exceeds the total of lines 14 through 17 the balance due should be entered in line 21. For most business corporations, payment is due on or before the 15th day of the fourth month after the close of the corporation's taxable year. For S corporations, payment is due the 15th day of the third month following the close of each taxable year.

### Line 22

The following penalties apply:

- Penalty for late payment. The penalty for failure to pay the total payment due with this form is 1% of the tax due per month (or fraction thereof), up to a maximum of 25%. A late payment penalty does not apply to amended returns when the amount shown on the original return was paid.

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

- Penalty for underpayment of estimated tax. An additional charge may be imposed on corporations which underpay their estimated taxes or fail to pay estimated taxes. Form M-2220, Underpayment of Massachusetts Estimated Tax by Corporations, is used to compute any underpayment penalty.

Any corporation which fails to pay its tax when due will be subject to interest charges.

### Line 24

Enter the total payment due. Checks for this amount should be made payable to the Commonwealth of Massachusetts. Checks should have the corporation's Federal Identification number written in the lower left corner.

## 355SC Schedule Instructions

### Schedule A. Balance Sheet

Enter the beginning and end-of-year balance sheet amounts for the taxable year covered by this return. All values entered on Schedule A must be in accordance with values on U.S. Form 1120 or 1120RIC, Part III. All corporations are required to complete both columns A and B. All items in Schedule A should be accompanied by a separate schedule if an explanation is required.

### Ownership Information

#### Line 1

If your corporation owned 50% or more of the voting stock of another corporation or if any single entity, e.g., corporation, individual, trust, partnership or estate, owned 50% or more of your corporation's voting stock, attach a schedule showing name, address, Federal Identification or Social Security number, and percentage of ownership amount.

#### Line 2

Include the highest amount owed to your corporation during the taxable year and/or the highest amount owed by your corporation during the taxable year, whichever is applicable.

### Schedule CMS: Tax Credits

Financial institutions, insurance companies, business corporations, and other taxpayers subject to tax under MGL ch 63 may be eligible for certain tax credits in Massachusetts. 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. MGL ch 63 taxpayers with credits available for use in the

current taxable year must file a Schedule CMS to claim most credits.

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 DOR) 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 DOR. 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.

For Sections 1 or 3, a credit identified by period end date eligible for indefinite or unlimited carry-over under MGL ch 63 § 32C (or other provision of law) should be reported as "non-expiring" and the period end date or certificate number should be left blank.

**Note:** Taxpayers reporting "non-expiring" credits must enclose a statement with their return indicating credits converted to non-expiring in a manner consistent with their Schedule CMS "non-expiring" credit reporting.

### 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.

### 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:** 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 DOR 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:** Do not report the refundable Film Incentive Credit in this section because these credits are issued new certificate numbers from the DOR 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.

## Schedule CRS. Credit Recapture Schedule

Certain Massachusetts tax credits are subject to recapture as specified in the statute authorizing the credit (e.g. the investment tax credit is subject to recapture under MGL ch 63, § 31A(e) if an asset for which the credit was taken is disposed of before the end of its useful life). Recapture may also be triggered if the corporation no longer qualifies for the credit (as when a manufacturing corporation ceases to qualify as such or a corporation's status as a Life Sciences Company is terminated as discussed in TIR 13-6.)

If a recapture calculation is required, the amount of the credit allowed is redetermined and the reduction in the amount of credit allowable is recaptured to the extent the credit was taken or used in a prior year. See DD 89-7. Taxpayers who have a recapture calculation must complete this schedule whether or not a recapture tax is determined to be due.

For credits tracked by certificate numbers, enter each certificate number and the associated credits separately. For credits not tracked by certificate number, enter credits separately by type and the year to which they relate. List only those credits and certificate numbers or tax years for which a reduction in the credit is being calculated.

## Schedule DRE. Disclosure of Disregarded Entity

A business corporation that (i) is doing business in Massachusetts (including through activities by a disregarded entity owned by such business cor-

poration) and (ii) is the owner of a disregarded entity for any portion of the taxable year for which a return is being filed, must identify each disregarded entity by filing Schedule DRE with its return. A separate Schedule DRE is required for each disregarded entity. See Schedule DRE instructions for additional information. Fill in the **Enclosing Schedule DRE** oval and submit all schedules DRE as applicable.

## Schedule FCI. Foreign Corporation Income

Fill in the oval and enclose Schedule FCI (Foreign Corporation Income) if the corporation is required to complete and file Schedule FCI with Form 355.

All taxpayers with foreign corporation income (including GILTI income) must complete Schedule FCI. Detailed instructions for completing Schedule FCI are available on DOR's website. See Schedule FCI and Instructions.

## Declaration

When Form 355SC is complete, it must be signed by the treasurer or assistant treasurer or, in their absence or incapacity, by any other principal corporate officer. If you are signing as an authorized delegate of the appropriate corporate officer, check the box below the signature line on Form 355SC and attach Form M-2848, Power of Attorney, with the return. Form M-2848 should be uploaded through MassTaxConnect or electronically filed using other authorized software.

## Paid Preparer Authorization

If you want to allow the DOR to discuss this year's tax return with the paid preparer who signed it, fill

in the Yes oval in the signature area of the form at the bottom of page 1. 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 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, to 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. Form M-2848 is available at [mass.gov/dor](http://mass.gov/dor).

This authorization will automatically end no later than the due date (without regard to extensions) for filing your 2026 tax return. If you wish to revoke this authorization, you can do so by submitting a signed statement to the DOR listing the name and address of each representative whose authority is being revoked.

## 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
Climatech Capital Investment	Period end date	If authorized, at 100%	CCICRD	62	6(gg)	63	38RR
Climatech Incentive Jobs	Period end date	If authorized, at 90%	CIJCRD	62	6(hh)	63	38TT
Climatech 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	6l	63	31H
Low-Income Housing Donation	Certificate number	No	LIHDON	62	6l	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).