2025 Instructions for Massachusetts Unrelated Business Income Tax Return **Form M-990T**

This form has an electronic filing requirement.
See instructions.

(Revised: August 4, 2026)

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Notice:

For tax year **2025**, several significant changes have been made to Massachusetts Unrelated Business Income 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 M-990T Schedule E Part III Line	Reporting Guidance
Business Interest Expense Deduction	§ 163(j)	6	Report difference; attach explanation
Special Depreciation Allowance	§ 168(n)	8	Report difference; attach explanation
Research & Experimental Deductions	§ 174/174A	8	Report difference; attach explanation
Section 179 Expensing	§ 179	8	Report difference; attach explanation

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

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, 2025);

- 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, 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.

Special Rule when Sales Factor is Inapplicable

A special rule will apply to business corporations(other than financial institutions) for tax years when the sales factor is inapplicable. For such years, such a filer will be required to base its apportionment on the percentage of property and payroll in Massachusetts. The sales factor of such filer is inapplicable if: (i) both its numerator and denominator are zero; (ii) the denominator is less than 10 per cent of one third of the taxable net income; or (iii) it is otherwise determined by the Commissioner to be insignificant in producing income.

Note: All filers that apportion their income to Massachusetts must complete the tangible property and payroll sections (lines 1 and 2) of Schedule F, even if they are basing apportionment solely on the sales 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.

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 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. **(***)**

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.

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 **business nonprofit corporation** that has a valid extension but has not yet filed a return, the **business nonprofit corporation** must attach to their original **2025** tax return: **(***)**

- **Massachusetts Schedule M-2220** (Underpayment of Massachusetts Estimated Tax by Corporations).
- **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-2220**.

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

The Privacy Act Notice is available upon request or at mass.gov/dor.

General Instructions

Form M-990T Electronic Filing

Effective for tax periods ending on or after December 31, 2021, electronic filing and payment of tax will be required of all business corporations and financial institutions subject to tax under MGL ch 63, with no income threshold. For further information, see TIR 21-9.

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.

TIR 16-9 requires that when a corporation exempt from taxation under section 501 of the Internal Revenue Code is reporting unrelated business taxable income it must file Form M-990T electronically when it is either:

- Reporting $100,000 or more of unrelated business taxable income on Form M-990T;

or

- It has met this excise or tax electronic filing threshold or the then-applicable excise or tax electronic filing threshold in a previous year.

For further information, see TIR 16-9.

Who Must File an Unrelated Business Income Tax Return?

Exempt corporations that have gross income from an unrelated trade or business and are required to file IRS Form 990-T, Exempt Organization Business Income Tax Return, are required to file Massachusetts Form M-990T if they have $1,000 or more of federal gross income from an unrelated trade or business.

Exempt trusts and unincorporated associations with gross income from an unrelated trade or business that are subject to taxation under MGL ch 62 should file Massachusetts Form M-990T-62. However, pursuant to MGL ch 62, § 5(b), any stock bonus, pension, or profit-sharing trust qualifying under IRS § 401 or any individual retirement account qualifying under IRS § 408 is not subject to tax under MGL ch 62.

For additional information, see 830 CMR 63.38T.1, Taxation of Unrelated Business Income of Exempt Organizations and TIR 06-7.

What Is Nexus for Massachusetts Corporate Tax Purposes?

A corporation that owns or uses any part of its capital or other property, exercises or continues its charter or is qualified to, or is actually doing business in Massachusetts has nexus with the Commonwealth and must pay a corporate excise. Doing business in the state as referenced in MGL ch 63, § 39 includes:

- The maintenance of a place of business;
- The employment of labor;
- The buying, selling or procuring of services or property;
- The execution of contracts;
- The exercise or enforcement of contract rights;
- The consummation of greater than $500,000 in sales (where the corporation has no other state contacts); and
- Each and every act, power, right, privilege, or immunity exercised or enjoyed in the Commonwealth, as an incident to or by virtue of the powers and privileges acquired by the nature of such organizations, as well as, the buying, selling or procuring of services or property.

The federal statute, PL 86-272, exempts from state net income-based taxation an out-of-state corporation whose sole interstate activities consist of the mere solicitation of orders for sales of tangible personal property filled by shipment or delivery from a point outside Massachusetts after such orders are sent outside the state for approval or rejection. PL 86-272 does not apply to a corporation that sells services or licenses intangible property in Massachusetts. Also, PL 86-272 does not apply where the in-state business activity by or on behalf of a corporation, however conducted, includes activity that is not entirely ancillary to the solicitation of orders of tangible personal property. Activities that take place after a sale will ordinarily not be considered entirely ancillary to the solicitation of such sale. A corporation that has nexus with the Commonwealth and is excluded from income-based taxation by PL 86-272 remains liable for the non-in-come measure of excise.

The following are activities that ordinarily fall within the scope of "solicitation" under PL 86-272:

- Activities including advertising related to generating retail demand for the products of a manufacturer or distributor by promoting the products to retailers who order the products from a wholesaler or other middleman;
- Carrying samples only for display or for distribution without charge or other consideration;
- Owning or furnishing automobiles to sales representatives, provided that the vehicles are used exclusively for solicitation purposes;
- Passing inquiries and complaints on to the home office;
- Incidental and minor advertising;
- Checking customers' inventories for re-order only;
- Maintaining a sample or display area for an aggregate of 14 calendar days or less during the tax year, provided that no sales or other activities inconsistent with solicitation take place;
- Soliciting of sales by an in-state resident representative who maintains no in-state sales office or place of business; and
- Training or holding periodic meetings of sales representatives.

For further information on corporate nexus, refer to 830 CMR 63.39.1.

When Must Form M-990T Be Filed?

Form M-990T must be filed on or before the 15th day of the fourth month after the close of the corporation's taxable year. A late return incurs a penalty of 1% per month (or fraction thereof), up to a maximum of 25% of the tax due. The penalty for late payment of the tax is 1% per month (or fraction thereof) of the balance due, up to a maximum of 25%.

For most calendar year filers, returns must be filed by April 15, 2025. See **Filing Due Dates** above.

Can a Corporation Get an Extension of Time to File?

Exempt corporations filing unrelated business income tax returns will be given an automatic eight-month extension if they meet certain payment requirements. 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, which ever 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.

What Is a Valid Return?

A valid 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 may be enclosed to explain amounts entered on the forms. However, referencing items to enclosures in lieu of properly entering all amounts onto the return is not sufficient.

An exact copy of U.S. Form 990-T (including all applicable schedules and any other documentation required to substantiate entries made on this return) must be submitted along with Form M-990T.

Should the Exempt 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.

Note: The due dates for estimated tax payments are not the same as the corporate excise return due dates. An overpayment from the prior year returns applied to the following year's estimated tax will be credited on the 15th day of the fourth month; one month after the due date for the first installment.

- 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.

Corporations must submit their estimated payments electronically. See TIR 21-9 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 million 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.

Are Combined Reports Allowed?

No. Exempt corporations are not allowed to participate in the filing of combined reports in Massachusetts.

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 file 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.

Can the Taxpayer Claim Credits on Form M-990-T?

Yes. However, any credit being claimed must be determined with respect to the unrelated business activity being reported on this return. The taxpayer cannot generate or claim any credits with respect to any exempt activity which has not been reported on this return.

Are There Special Tax Credits Available In Massachusetts?

Yes. Massachusetts offers several special credits to corporations.

However, 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 (CMS).

Line Instructions

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

If your return is not for the calendar year, enter at the top of the form the dates of your taxable year.

Should the Whole Dollar Method be Used?

Yes. All amounts entered on Form M-990T must be rounded off to the nearest dollar.

Number of Massachusetts and Worldwide Employees

Enter the number of Massachusetts employees and the number of worldwide employees on their respective lines.

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 TIR 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 federal

audit (for example, if the amended Massachusetts return is reporting only a change in the apportionment calculation or an additional tax credit), fill in only the **Amended return** oval. If this is an amended return that includes changes you have reported on an amended federal return filed with the IRS for the same tax year, fill in both the **Amended return** oval and the **Amended return due to federal change** oval. 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 your 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.

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**, a **business nonprofit corporation** must include with their amended **2025** tax return, or their original **2025** tax return if filing on extension: **(***)**

- **Massachusetts Schedule M-2220** (Underpayment of Massachusetts Estimated Tax by Corporations).
- **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-2220**.

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.

Schedule DRE. Disclosure of Disregarded Entity

A corporation doing business in Massachusetts (including through the means of activities conducted by a disregarded entity that such corporation owns) and that is also the owner of a disregarded entity for any portion of the taxable year for which a return is being filed must identify each such disregarded entity by filing Schedule DRE with its return. A separate Schedule DRE is required for each such disregarded entity. See Schedule DRE instructions for additional information.

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 M-990T.

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.

Enclosing 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.

S Corporation Election Termination or Revocation

Fill in this oval if the taxpayer's S corporation status was terminated or revoked by election or otherwise.

Member of Lower-tier Entity

A tiered structure is a pass-through entity that has a pass-through entity as a member. The term "pass-through entity" refers to an entity whose income, loss, deductions and credits flow through to members for Massachusetts tax purposes. The term "member" includes a partner in a partnership and a member of a limited liability company treated as a partnership in Massachusetts, as well as a shareholder in an S corporation. As between two entities, the pass-through entity that is a member is the upper-tier entity, and the entity of which it is a member is the lower-tier entity. If the S corporation is a member of another pass-through entity, it should fill in this oval.

IRC Section 501 Federal Tax Status

Fill in the applicable IRC Section 501 Federal Tax Status oval. Most exempt corporations (as defined in section 30 of MGL. ch 63 §30) are exempt from taxation under section 501(c)(3) of the Code. However, the taxpayer should fill in the oval and enter the specific code provisions if exempt under another subsection of IRC section 501.

Number of attached Schedules E (Form M-990T)

Enter the number of Schedules E (Form M-990T) which are attached to this Form M990-T return. See Massachusetts Schedule E (Form M-990T) below.

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

Form M-990T Schedule Instructions

Massachusetts Schedule E (Form M-990T)

A Massachusetts Schedule E (Form M-990T) must be completed and submitted as part of taxpayer's Form M-990T tax return. To complete Schedule E the taxpayer should enter amounts directly as reported on U.S. Form 990-T, Schedule A and any other line items as reported on U.S. Form 990-T.

To be consistent with reporting on U.S. Form 990-T, Schedule A, an organization with more than one unrelated trade or business should complete and submit a separate Schedule E for each unrelated trade or business and enclose them all with Massachusetts Form M-990T. See Instructions to U.S. Form 990-T, Schedule A (Purpose of the Schedule).

Separate Unrelated Trade or Business Schedule E Information

Each unrelated trade or business must fill in its own information on the Schedule E header. This includes:

- Name of corporation and Federal Identification Number;
- Unrelated business activity code; and
- Description of the unrelated trade or business in which the business submitting this Schedule E is engaged. See instructions to U.S. Form 990-T, Schedule A (Purpose of the Schedule - Separate Trades or Businesses) for further details.

Sequence of Separate Schedules E

When there is more than one unrelated trade or business for which a Schedule E must be completed, the filer must enter the same sequence of separate numbers on each Schedule E as reported in item D of each corresponding U.S. Form 990-T, Schedule A.

In the event a separate unrelated trade or business submitting a Schedule E is also completing Schedule F or Schedule NOL, such unrelated trade or business must enter the same sequence number on each in the same manner as reported on its corresponding Schedule E.

Schedule E Part I. Unrelated Trade or Business Income (lines 1 through 13)

Enter unrelated trade or business income amounts directly from U.S Form 990-T, Schedule A, Part I, lines 1 through 13.

Line 4a. Capital gain net income

See instructions to U.S. Form 990-T, Schedule A Line 4a.

Line 4b. Net gain or loss from U.S. Form 4797

See instructions to U.S. Form 990-T, Schedule A, line 4b.

Line 4c. Unused capital loss carryover

Enter the amount of Capital Loss Deduction for Trusts from U.S. Form 990-T, Schedule A, line 4c.

Schedule E, Part II. Deductions Not Taken Elsewhere

Lines 1 through 15.

Enter Deductions Not Taken Elsewhere directly from U.S. Form 990-T, Schedule A, Part II, lines 1 through 15.

Line 16

Subtract Part II, line 15 from Part I, line 13 to compute unrelated business taxable income before adjustments.

Line 17

Enter Deduction for Net Operating Loss (NOL) amount directly from U.S. Form 990-T, Schedule A, Part II, line 17.

Line 18

Subtract line 17 from line 16 and enter the total on line 18. This is the total unrelated business taxable income.

Schedule E Part III Computation of Taxable Income

Line 1

Enter the total from Schedule E, Part II, line 18. This is the total unrelated business taxable income.

Line 2

Enter all interest received on state and municipal obligations not reported in U.S. net income on line 2.

Line 3

Massachusetts does not allow a deduction for state, local and foreign income, franchise, excise or capital stock taxes. Any such taxes which have been deducted from federal net income should be entered in line 3 and added back into income.

Line 4

Enter the amount of any section 168(k) "bonus" depreciation. Massachusetts has decoupled from the adoption of IRC § 168(k). This section provides for a special depreciation allowance for certain property placed in service during the three-year period beginning on September 11, 2001. Under the Massachusetts law, federal bonus depreciation is not allowed. For Massachusetts tax purposes, for taxable years ending after September 10, 2001, depreciation is to be claimed on all assets, regardless of when they are placed in service. Use the method used for federal income tax purposes prior to the enactment of § 168(k). For more information, see TIR 02-11 and TIR 03-25.

Line 5

Massachusetts law requires that a taxpayer add back to net income certain intangible expenses and costs. This add back is mandatory, with certain exceptions based generally upon showing by clear and convincing evidence that a particular add back would be unreasonable. To claim an exception, file Schedule ABIE, Exceptions to the Add Back of Intangible Expenses. For more information, see TIR 03-19.

Line 6 (***)

Line 6 is used to take into account differences between the federal and Massachusetts deductions for interest expense. Taxpayers should add statements to their returns explaining the calculation of any adjustments relating to those differences. See TIR 26-xx for details regarding the 163(j) limitation. The differences include:

IRC § 163(j) Business Interest Deduction Differences (***)

Line 6 should include the amount of the interest expense taken into account on a U.S. Form 990T, Schedule A, Part II, Line 5 (stated as a positive amount) reduced by the business interest expense deduction determined for Massachusetts purposes under federal law in effect for 2024 tax years.

Related Member Interest Expense

A taxpayer must add back to net income any related member interest expenses and costs, including losses incurred in connection with factoring or discounting transactions. If you qualify for an exception to the add back requirement, complete Schedule ABI. For further information, see TIR 03-19. Please see TIR 19-17: Application of IRC § 163(j) Interest Expense Limitation to Corporate Taxpayers, for more information on how to calculate the interest expense deduction.

Line 7

In calculating Massachusetts unrelated business taxable income, all net operating loss deductions claimed on federal Form 990-T (NOLs) must be added back. Enter the federal NOL deduction amount that you reported on Schedule E, Part II, line 17 as an add back adjustment amount on line 7.

Line 8

Special Depreciation Allowance (***)

Line 8 should include the amount of the federal special depreciation allowance taken into account in U.S. Form 990-T, Schedule A, Part II line 7 (stated as a positive amount) reduced by the depreciation deduction determined for Massa-

chusetts purposes without regard to the special depreciation allowance.Taxpayers should follow the depreciation methods allowable under Massachusetts law when determining their adjustments on Line 8.

Domestic Research and Experimental Expense Deduction (***)
Line 8 Massachusetts law disallows the domestic research and experimental expenses under IRC § 174A reported on U.S. Form 990-T, Schedule A, Part II Line 14 that were not capitalized and recovered through an amortization deduction. Taxpayers should include any domestic research and experimental expenses claimed under IRC § 174A. Taxpayers may continue to utilize allowable capitalization and amortization deductions determined under the rules in effect for 2024 tax years.

IRC § 179 Expense Deduction (***)
Line 8 should include the amount of the federal IRC § 179 expense deduction taken into on U.S. Form 990-T, Schedule A, Part II Line 7 (stated as a positive amount) reduced by the allowable Massachusetts IRC § 179 expense deduction determined using the limitations in effect under federal law for 2024 tax years.

For Massachusetts purposes the limitations are $1,250,000 and the phase-out $3,130,000.

Line 8 is used to take into account differences between federal and Massachusetts income and deductions that are not taken into account elsewhere on the forms. Taxpayer should attach a statement explaining any such differences. These differences include:

Adjustment relating to research and development expenses should be entered on line 8. The taxpayer must enclose a statement explaining these adjustments.

Combine total of all items and amounts listed and enter this amount as the total of all other adjustments on line 8.

Line 9
Add the total of lines 1 through 8 and enter this amount on line 9.

Line 10
Multiply the total cost of renovating an abandoned building in an Economic Opportunity Area by .10 and enter the amount on line 10.

Line 13
Enter any other adjustments not reported on line 8 here. Total all items and amounts listed and enter this amount as the total of all other deductions not listed above.

Line 15
If the unrelated trade or business conducts business activities in another state sufficient to give that state jurisdiction to tax the unrelated trade or business, Schedule F should be completed in order to determine the apportionment percentage. If all income is derived from business conducted in Massachusetts, enter 100% in line 15.

Schedule F
A schedule F should be completed by each unrelated trade or business of the taxpayer that has income from unrelated business activities taxable both in Massachusetts and in any other state. For purposes of this requirement "taxable" has the meaning set forth in 830 CMR 63.38.1(5)(b).

This standard is not satisfied simply because the unrelated trade or business is incorporated in another state or files a return in another state that relates to capital stock or franchise tax for the privilege of doing business.

When a Schedule F is completed the unrelated trade or business must enter the same sequence number on its Schedule F as it is reported on its corresponding Schedule E.

Single Sales Factor Apportionment
Effective for tax years beginning on or after January 1, 2025, corporate excise and financial institution excise filers that apportion their income to Massachusetts must do so by using the sales or receipts factor only.

Note: All filers that apportion their income to Massachusetts must complete the tangible property and payroll sections of their respective apportionment computation even if they are basing apportionment solely on the sales or receipts factor.

Schedule F, Line 3f
Both the Massachusetts and Worldwide columns for lines 3b through 3f must be completed. Enter zero or leave blank only if there are no sales in a category. On line 3f, report the total Massachusetts sales (sum of amounts entered on lines 3a through 3e) and the total Worldwide sales (sum of amounts entered on lines 3b through 3e).

Schedule F, Line 4 Single Sales Factor-When Sales Factor Inapplicable
A special rule will apply to business corporations (other than financial institutions) for tax years when the sales factor is inapplicable. For such years, the taxpayer will be required to base its apportionment on the percentage of property and payroll in Massachusetts.

The sales factor of such taxpayer is inapplicable if:

(i) both its numerator and denominator are zero;

(ii) the denominator is less than 10 per cent of one third of the taxable net income; or

(iii) it is otherwise determined by the Commissioner to be insignificant in producing income.

See MGL ch 63, § 38(g) (as revised).

The taxpayer should only complete line 4 when the sales factor is inapplicable (do not complete line 4 if the sales factor applies). Divide the sum of the remaining apportionment percentages (property and/or payroll) by 2 if both the property and payroll factors are applicable (or by 1 if only one such factor is applicable) and enter the amount here.

Schedule F, Line 5
Enter the sales apportionment percentage amount from line 3g here and in Schedule E, line 20. Note: If the sales factor is inapplicable enter the amount from line 4 here and in Schedule E, line 20.

Line 17
Enter any income that is not subject to apportionment in the spaces provided and compute the total amount of income that is not subject to apportionment.

Line 19
A deduction is allowed for expenditures paid or incurred during the taxable year for the installation of any solar or wind powered climate control or water heating unit. Ancillary units do not qualify. In order to be eligible for this deduction, the property must be certified by the Office of Facilities Management.

Line 21
Massachusetts law allows for a loss carryover deduction. Enclose Schedule NOL to claim this deduction.

When a Schedule NOL is completed the unrelated trade or business must enter the same sequence number on the Schedule NOL as reported on its corresponding Schedule E.

Unrelated Business Income Tax Calculation (Page 1)
Note: An organization with more than one unrelated trade or business should enter the sum of the amounts from all Massachusetts Schedules E which were submitted with its Form M-990T on all relevant line items.

Line 1
Enter the unrelated business taxable income total computed as the sum of all amounts reported by unrelated trades or businesses on all Schedules E, Part III, line 22 submitted with this Form M-990T.

Note: an exempt corporation eligible to claim a charitable deduction should subtract the amount reported on U.S. Form 990-T, line 4, from the federal taxable income reported on line 1.

Excise before Credits
Lines 3a and 3b
If the corporation is required to recapture any amount of previously claimed EOA Credit, Low-Income Housing Credit, Brownfields Credit or Historic Rehabilitation Credit, complete the Credit Recapture Schedule and enter the result in line 3a. Current year credits can then be used to offset the total excise due which will include the recapture amount.

Enter any additional tax due on installment sales. on line 3b.

Credits

Line 5

The taxpayer must enter on line 5 the amount of total credits reported on Schedule CMS that are being used to reduce current year tax liability. Schedule CMS must be enclosed with this return. The total credit amount claimed may be subject to limitations. See Schedule CMS for additional information.

Note: Any credits being claimed must be determined with respect to each unrelated business activity being reported on this return.

Excise after Credits

Line 6

Subtract total of line 5 from line 4 and enter here. This amount is the excise due before voluntary contribution.

Line 7

Any corporation that wishes to contribute any amount to the Natural Heritage and Endangered Species Fund may do so on this form. This amount is added to the excise due. It increases the amount of the corporation's payment or reduces the amount of its refund.

Payments

Line 12

Use this line only if you are amending the original return. Enter in line 12 the amount of tax you paid with the original return from line 22, "Payment due at time of filing." If estimated tax payments were made on the original return, they should be reflected on line 10, 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. On an enclosed sheet, explain the reasons for the amendments and identify the lines and amounts being changed on the amended return. For faster processing, it is recommended that the taxpayer file and pay its amended return and pay any tax due electronically. Electronic filing requirements apply to amended returns. See TIR 21-9 for further information.

Line 13

NEW - Schedule 63-WH: Massachusetts Corporate Excise Withholding

A taxpayer that is a corporation, pass-through entity or other organization subject to MGL Chapter 63 must complete and submit Schedule 63-WH with their tax return to report withholding of Massachusetts corporate excise. All withholding amounts reported to the taxpayer must be entered on the schedule (including forms 1099, Schedules K-1, W-2G and NRW and other forms or schedules that include withholding of Massachusetts corporate excise). If the taxpayer is a member of one or more lower-tier entities and amounts were withheld for the taxpayer by one or more of such lower-tier entities, the taxpayer should indicate how much of the total amount withheld was allocated to it, along with the payer name and identification number of each lower-tier entity.

Enter on line 13 the total amount of any withholding reported on Schedule 63-WH, line 14, from all forms, schedules or other sources. Enclose Schedule 63-WH and all attached forms, schedules or other sources of withholding with your return.

Note: Failure to submit Schedule 63-WH and all pertinent forms or schedules may delay processing of your return

Line 14

If the corporation is claiming a refundable credit, enter the amount(s) from the Credit Manager Schedule and enclose the completed Credit Manager Schedule with the return.

Refund or Balance Due

Lines 16 through 18

Overpayments and refunds. If line 15 is larger than line 8, enter the amount overpaid in line 16.

The overpayment may be applied in part or in full to 2026 estimated taxes by entering in line 17 the amount to be credited to 2026 estimated tax payments. Enter in line 18 the amount to be refunded.

An overpayment of tax cannot be applied as a credit to the tax of another account of this company or to the tax of another company.

Line 19

If line 8 is larger than line 15, enter the balance due in line 19. Payment in full is due on or before April 15, 2026.

Lines 20a and 20b

Any company that has an underpayment of estimated tax will incur a penalty on the underpayment for the period of the underpayment. Enclose a copy of Form M-2220. For more information, refer to the section, "Should the Exempt Corporation Be Making Estimated Tax Payments?"

Any company that fails to file a timely return will be subject to a late filing penalty of 1% per month, (or fraction thereof), and a late payment penalty of 1% per month, (or fraction thereof), on the amount required to be shown as the tax due on the return. For more information, refer to the section, "What Are the Penalties for Late Returns?"

Any company which fails to pay its tax when due will be subject to interest on the unpaid balance.

Line 22

Enter the total payment due at the time of filing the return.

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/share holders/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.

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.

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.

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 is-sued 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 sec-tion 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.

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.

Credit Recapture Schedule

The Credit Recapture Schedule (CRS), which eliminates Schedule RF, lists each credit for which a recapture calculation must be made. 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.

Declaration

When the return 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 and attach Form M-2848, Power of Attorney with 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 your 2025 business 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.

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.

Where to File

Taxpayers can file their tax returns online at mass.gov/masstax connect.

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).

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 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.

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.