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DRAFT – DO NOT
FILE

This is an early release draft of
a 2025 Massachusetts tax
form or schedule.

Do not file **DRAFT** forms.

DRAFT forms **will not** be
processed.



CORPORATION NAME

FEDERAL IDENTIFICATION NUMBER

Schedule RC Research Credit**2025**

Enclose Schedule RC to the return of each member of the group that is reporting Massachusetts basic research payments, qualified research expenses, or is taking research credit against the excise. Controlled groups and entities under common control are required to compute the research credit on an aggregate basis. Refer to Proposed Regulation 830 CMR 63.38M.2(9).

Fill in applicable oval(s) (See instructions):

- ☐ Taxpayer is electing to calculate the credit separately for defense-related activities.
- ☐ Taxpayer is electing to calculate the credit under the alternate simplified method provided in MGL ch 63, § 38M(b).
- ☐ Taxpayer is electing to calculate the credit for qualified research expenses using Massachusetts gross receipts.
- ☐ Taxpayer is electing to calculate the credit for qualified research expenses using Federal gross receipts.

PART 1. QUALIFIED RESEARCH EXPENSES

- 1** Qualified wage expenses for this corporation. 1
- 2** Qualified supply expenses for this corporation. 2
- 3** Qualified computer rental time expenses for this corporation. 3
- 4** Enter 65% of qualified contract expenses for this corporation. 4
- 5** Total qualified research expenses for this corporation. Add lines 1 through 4. 5
- 6** Total qualified research expenses for the aggregated group. 6

PART 2. CREDIT DETERMINED UNDER MGL CH 63, § 38M(b) (ALTERNATE SIMPLIFIED METHOD)

If using the Alternative Simplified Method and you did not have qualified research expenses in each of the three prior years, fill in oval ☐ Also, skip lines 7 through 10.

- 7** Average qualified research expenses for the 3 most recent prior years. 7
- 8** Enter 50% of line 7. 8
- 9** Subtract the amount on line 8 from current year expenses on line 6. Not less than "0". 9
- 10** Applicable rate for the Alternate Simplified Method. 10
- 11** Total credit for the group. If the taxpayer did not have qualified research expenses in each of the three prior years, enter 5% of the amount on line 6; otherwise, multiply line 9 by line 10. 11
- 12** Percentage of aggregated group credit attributable to this corporation. Line 5 divided by line 6. 12
- 13** Amount of group credit for this corporation. Multiply line 11 by line 12. 13

**PART 3. CREDIT DETERMINED UNDER MGL CH 63, § 38M(a)**

14	Fixed-base ratio (see instructions)	14	<input type="text"/>
15	Average annual gross receipts from the 4 most recent taxable years	15	<input type="text"/>
16	Base amount. Multiply line 14 by line 15. Not less than 50% of line 6.	16	<input type="text"/>
17	Subtract line 16 from current year expenses on line 6. Not less than "0"	17	<input type="text"/>
18	Total group credit for qualified research expenses. Multiply line 17 by 10%	18	<input type="text"/>
19	Total group credit for basic research payments (see instructions)	19	<input type="text"/>
20	Total Research Credit for the aggregated group. Combine lines 18 and 19	20	<input type="text"/>
21	Percentage of aggregated group credit attributable to this corporation. Line 5 divided by line 6	21	<input type="text"/>
22	Amount of credit for this corporation. Multiply line 20 by line 21	22	<input type="text"/>

PART 4. MASSACHUSETTS RESEARCH CREDIT USED

Unless it is a member of an aggregated group, the amount of credit that a corporation may use to reduce the excise is limited to 100% of the corporation's first \$25,000 of corporate excise liability, plus 75% of the corporation's excise liability over \$25,000. These limitations apply to each separate member of a combined group unless such member is also a member of an aggregated group. The corporate excise liability of each combined group member is each member's separately computed excise determined under MGL ch 63, § 39.

A single \$25,000 amount applies to all members of an aggregated group, plus 75% of the aggregated group's corporate excise liability in excess of \$25,000. Each aggregated group member determines its subtotal of excise within the limitation by entering its share of excise not subject to the 75% limitation, plus 75% of its separate corporate excise liability in excess of \$25,000.

23	Total excise before credits for this corporation (from Form 355, line 6; Form 355S, line 9; Form 63-FI, line 7; or Schedule U-ST, line 37)	23	<input type="text"/>
24	Total of aggregated group excise before credit. Enter the amount of line 23 on line 24 if not a member of an aggregated group (see instructions)	24	<input type="text"/>
25	Allocation percentage for the \$25,000 excise bracket. Divide line 23 by line 24. Enter 1.000000 if not a member of an aggregated group	25	<input type="text"/>
26	Corporation's share of excise not subject to the 75% limitation. (line 25 percentage × \$25,000, but not more than line 23)	26	<input type="text"/>
27	Corporation's excise subject to the 75% limitation. Subtract \$25,000 from line 23. Not less than "0"	27	<input type="text"/>
28	75% of excise subject to limitation. Multiply line 27 by .75	28	<input type="text"/>
29	Corporation's subtotal of excise within the limitation. Add lines 26 and 28	29	<input type="text"/>